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APPENDIX

TO THE

FIFTY-FIRST VOLUME

OF THE

JOURNALS OF THE HOUSE OF COMMONS

DOMINION OF CANADA

SESSION 1915 .

PART II.

PRINTED BY ORDER OF PARLIAMENT



OTTAWA

PRINTED BY J. DE L. TACHÉ, PRINTER TO THE KING'S MOST
EXCELLENT MAJESTY

1915

LIST OF APPENDICES, 1915.

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- No. 1.—Report of Special Committee, appointed to inquire into the Pollution of Navigable Waters: The evidence, as appended to the Report of the Committee, dated 8th March, 1915, *recommended printed as an Appendix to the Journals. Concurred in. See Appendix No. 1. Printed.*
- No. 2.—Report of Select Standing Committee on Agriculture and Colonization, respecting evidence given in connection with the consideration of Manures and Fertilizers, as appended to the Report of the Committee, dated 25th March, 1915, *recommended printed as an Appendix to the Journals. Concurred in. See Appendix No. 2. Printed.*

PART II.

- No. 3.—Report of the Select Standing Committee on Public Accounts in connection with the consideration of certain payments: The evidence, as appended to the Third, Fourth, Fifth and Sixth Reports of the Committee, dated respectively, March 26th, April 12th, and April 15th, 1915, *recommended printed as an Appendix to the Journals. Concurred in. See Appendix No. 3. Printed.*

PART III.

- No. 4.—Report of Special Committee on Boot Inquiry respecting Army Boots supplied to the Department of Militia and Defence for the Canadian Expeditionary Forces: The evidence, as appended to the Fourth and Fifth Reports of the Committee, dated April 9th, 1915, *recommended printed as an Appendix to the Journals. Concurred in. See Appendix No. 4. Printed.*

EVIDENCE

TAKEN BEFORE THE

PUBLIC ACCOUNTS COMMITTEE

DURING THE

SESSION 1915

PRINTED BY ORDER OF PARLIAMENT.



OTTAWA

PRINTED BY J. DE L. TACHÉ, PRINTER TO THE KING'S MOST
EXCELLENT MAJESTY.

1915

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ORDER OF REFERENCE.

HOUSE OF COMMONS,

FRIDAY, March 12, 1915.

Ordered, That Sessional Papers numbered 122 of the present Session of Parliament and all other papers in relation thereto, being copies of correspondence between the Auditor General and the Department of Militia and other Departments of the Government, laid upon the Table of the House, in respect to expenditures under the War Appropriations Act, be referred to the said Committee.

Attest.

THOS. B. FLINT,

*Clerk,
House of Commons.*

REPORT OF COMMITTEE.

HOUSE OF COMMONS.

OTTAWA, WEDNESDAY, March 17, 1915.

Mr. Morphy, for Mr. Middlebro, from the Select Standing Committee on Public Accounts, presented the First Report of the said Committee, which is as follows:—

Your Committee recommend that the evidence being taken in connection with Sessional Paper No. 122, of the present Session of Parliament, being correspondence between the Auditor General and the Militia Department respecting expenditure under the War Appropriation Act, be printed from day to day, and that Rule 74, relating thereto, be suspended.

THURSDAY, March 18, 1915.

On motion of Mr. Morphy, the First Report of the Select Standing Committee on Public Accounts, recommending the printing from day to day of certain evidence and the suspension of Rule 74 in relation thereto, was concurred in.

MONDAY, March 22, 1915.

Mr. Morphy, for Mr. Middlebro, from the Select Standing Committee on Public Accounts, presented the Second Report of the said Committee, which is as follows:—

Your Committee recommend that leave be granted to them to sit while the House is in Session.

On motion of Mr. Morphy the said Report was concurred in.

FRIDAY, March 26, 1915.

Mr. Morphy, for Mr. Middlebro, from the Select Standing Committee on Public Accounts, presented the Third Report of the said Committee, which is as follows:—

Your Committee ask leave to submit to the House, the Evidence taken in respect to the Contract for supplies purchased from Mr. E. Powell, and to express their opinion, that the contracts for such supplies do not appear to have been so worded as to fully protect the public interests.

Your Committee therefore recommend, that the Evidence adduced, and all papers connected therewith be referred by the House to the Department of Justice, for any further investigation, if necessary, for the recovery of any moneys overpaid, the holding back of any moneys not yet paid over, and the taking of such further action as may be warranted by the facts.

And your Committee herewith transmit the Evidence taken, and all papers which came under their view, in connection with the contract with Mr. E. Powell.

MONDAY, April 12, 1915.

Mr. Morphy, for Mr. Middlebro, from the Select Standing Committee on Public Accounts, presented the Fourth Report of the said Committee which is as follows:—

Your Committee have had under consideration the purchase of binocular glasses for the Canadian Expeditionary Forces, and beg to report to the House the evidence and documents in connection therewith.

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From the evidence it appears a number of binocular glasses were of poor quality, low range and inferior efficiency, but passed inspection and were paid for at an excessive price; and this was due to misrepresentation and inadequate inspection. Your Committee therefore recommend to the House that the said evidence and all documents connected therewith be referred to the Department of Justice, with instructions to enforce restitution and to take such further proceedings as the law will permit.

Mr. Morphy, for Mr. Middlebro, from the Select Standing Committee on Public Accounts, presented the Fifth Report of the said Committee, which is as follows:—

Sessional Papers numbered 122 of the present Session of Parliament, and all other papers in relation thereto, being copies of correspondence between the Auditor General and the Department of Militia and Defence and other Departments of Government, in respect to Expenditures under the War Appropriations Act, having been referred by the House to the Public Accounts Committee, and said Committee having had same under consideration, they ask leave to report the same back to the House, accompanied by all evidence taken in connection therewith.

Furthermore, the Committee recommend that the said Sessional Papers, and all other papers in relation thereto, together with the evidence, be printed as an appendix to the Journals, and also forthwith in Blue Book form to the number of one thousand (1,000) copies, and that Rule 74, relating thereto, be suspended.

On motion of Mr. Morphy, the Fifth Report of the Select Standing Committee on Public Accounts was concurred in.

THURSDAY, April 15, 1915.

Mr. Morphy, for Mr. Middlebro, from the Select Standing Committee on Public Accounts, presented the Sixth Report of the said Committee, which is as follows:—

Your Committee have had under consideration the purchase of horses for the Militia Department in the Province of Nova Scotia, and beg to report to the House the evidence and documents in connection therewith.

Your Committee are of the opinion that the evidence respecting the purchase of horses in Nova Scotia discloses circumstances of such an unsatisfactory character that further investigation and action are necessary, and they recommend that the said evidence and all documents connected with the matters aforesaid be referred to the Department of Justice with instructions to make such investigation, and to institute such prosecutions, and to take such proceedings as may be found necessary to protect the public interest.

And your Committee further recommend that a further investigation should be made by the Government in regard to any irregularities which may have taken place in any other province of Canada, where such steps will be authorized and warranted by evidence or information of credible persons.

Mr. Morphy, for Mr. Middlebro, from the Select Standing Committee on Public Accounts, presented the Seventh Report of the said Committee, which is as follows:—

In view of the evidence adduced during the course of their inquiry into the matters referred by the House to them, your Committee desire to draw the attention of the House to the requirement for the inauguration of a system of purchase, inspection and audit that will adequately protect the country from irregularities and frauds.

Mr. Morphy moved, That the Third, Fourth, Sixth and Seventh Reports of the Select Standing Committee on Public Accounts, be now concurred in.

And the question being put on the said motion, it was agreed to.

The said Reports were accordingly concurred in.

APPENDIX No. 3

CORRESPONDENCE.

CORRESPONDENCE BETWEEN AUDITOR GENERAL AND MILITIA DEPARTMENT, REFERRING TO EXPENDITURE UNDER WAR APPROPRIATION ACT.

The Under Secretary of State,
Ottawa.

DEAR SIR,—Referring to Order of the House of Commons, reference No. 10, mover, Mr. Maclean (Halifax), for copies of all correspondence which has passed between the Auditor General and the Militia Department or any other Department of the Government *re* expenditure under the War Appropriation Act, I beg to enclose herewith answer to such return in so far as the Department of Finance is concerned.

Yours truly,

T. C. BOVILLE,
Deputy Minister of Finance.

OTTAWA, February 16, 1915.

Order of the House of Commons.

SIR,—I have your reference No. 10, being an Order of the House of Commons of the 11th of February, moved by Mr. Maclean, of Halifax, for a copy of all correspondence which has passed between the Auditor General and the Militia Department or any other Department of the Service in regard to the expenditure under War Appropriation Act.

The only correspondence we have had with the Auditor General are formal requisitions for letters of credit, which have been granted without further correspondence with the Auditor General.

I presume it is not necessary to send copies of these.

I have the honour to be, sir,

Your obedient servant,

F. C. T. O'HARA,
Deputy Minister.

The Under Secretary of State,
Ottawa.

AUDITOR GENERAL'S OFFICE, CANADA.

OTTAWA, December 4, 1914.

The Deputy Minister of Finance,
Ottawa.

SIR,—I wish to call your attention to the expenditure made by the Department of Militia and Defence under the War Appropriation Act 1914.

At a conference, on 27th August, 1914, at which were present officers of the Departments of Militia and Defence, Naval Affairs and Finance, and the Auditor

5 GEORGE V., A. 1915

General, held for the purpose of arriving at a working arrangement to facilitate the purchase and payment of supplies, etc., for the overseas contingent, it was agreed to issue a Letter of Credit to the Department of Militia and Defence, on condition that no payments would be made out of the credit until the approval of the Governor in Council was obtained for the purchase.

This arrangement was agreed to by the officials of the Department of Militia and Defence, and Letters of Credit have been issued from time to time as required.

The vouchers for payments made have been received in the Auditor General's Office for a portion of the expenditure up to the latter part of September.

An examination of these vouchers shows that the agreement referred to above has not been adhered to. Large expenditures have been made for which the approval of Council has not been obtained, at least no copies of the Orders in Council have reached me.

For auto-trucks, motors, and motor supplies over half a million dollars has been expended, for drugs, surgical supplies, etc., over \$90,000, field glasses over \$50,000, and various other items—the whole amounting to over \$1,000,000. No Orders in Council have been received for these articles.

This is only up to the end of September, since that time large expenditures have been made in October and November, but as I have not received the vouchers I cannot say what proportion has been spent without authority.

This is a clear violation of the War Appropriation Act and also of the understanding on which I consented to the issue of a Letter of Credit. I have, therefore, to request that you will inform the Department of Militia and Defence that their Letter of Credit is no longer available for payments on account of War Appropriation Account, and no further cheques may be drawn for that purpose until the provisions of the Act are complied with.

I regret the necessity for this action, but I have no other course open to me. I know it is a very serious matter to place any obstacle in the way of the Militia Department when the country is at war and with this in view I consented to an arrangement which could not, in any degree, hamper the Department. In return I had every right to expect that the Minister of Militia and Defence would carry out, not only the agreement of his officials but that he would also respect the directions of Parliament.

I am, sir,

Your obedient servant,

J. FRASER,

Auditor General.

DEPARTMENT OF THE NAVAL SERVICE,

OTTAWA, February 19, 1915.

The Under Secretary of State,
Ottawa.

SIR,—I have the honour to forward herewith Return to an Order of the Honourable the House of Commons Reference No. 10, dated 12th February, 1915, mover Mr. Maclean, M.P. (Halifax), showing that it is unnecessary for this department to bring down copy of correspondence in connection with the expenditure under the War Appropriation Act between the Auditor General and this Department, as the correspondence is being brought down through the Office of the Auditor General.

I have the honour to be, sir,

Your obedient servant,

G. J. DESBARATS,

Deputy Minister.

APPENDIX No. 3

RETURN to an Order of the Honourable the House of Commons, Reference No. 10, dated 12th February, 1915, mover, Mr. Maclean, M.P. (Halifax). The Department is informed by the Auditor General that the correspondence in connection with the expenditure under the War Appropriation Act which has passed between the Auditor General and this Department, is being brought down through the Office of the Auditor General.

By Order.

G. J. DESBARATS,
Deputy Minister of the Naval Service.

Department of the Naval Service,
Ottawa, February 19, 1915.

Any correspondence between the Auditor General and the Department of the Naval Service in connection with the expenditure under the War Appropriation Act is being brought down through the Auditor General's Office and it is unnecessary therefore that the Return be duplicated from the Department of the Naval Service.

DEPARTMENT OF MILITIA AND DEFENCE.

OTTAWA, February 20, 1915.

The Under Secretary of State,
Ottawa.

SIR,—With reference to Order of House of Commons, No. 10, dated 11-12 February, 1915, for a Return showing a copy of all correspondence which has passed between the Auditor General and the Militia Department, or any other Department of the Government service, in regard to the expenditure under the War Appropriation Act, I have the honour to inform you that I have examined the Return already sent to your Department by the Auditor General, and feel satisfied that this Return contains all the correspondence exchanged between the Department of Militia and Defence and the Auditor General.

I have the honour to be, sir,

Your obedient servant,

CHAS. L. PANET, Lt.-Colonel,
Secretary, Militia Department.

PRIVY COUNCIL, CANADA.

Ref. No. 10.

Order of the House of Commons:

Date 11-12 February, 1915.

Mover: Mr. Maclean (Halifax)..

Subject: Correspondence *re* expenditure under the War Appropriation Act.

Answer: Letter, 28th September, 1914.

Order in Council, 12th January, 1915.

PRIVY COUNCIL, CANADA.

OTTAWA, 28th September, 1914.

The Auditor General.

DEAR SIR,—I beg to request that a cheque may issue for the sum of \$133.33 in favour of Mr. P. E. Guerin, being for his services as a French translator in this office

5 GEORGE V., A. 1915

for the month of September, 1914. Mr. Guerin's employment, at the rate of \$1,600 per annum, was authorized by Order in Council No. 2369, dated 11th September, 1914. The above amount to be charged to War Appropriation.

Yours very truly,

F. K. BENNETS.

Asst. Clerk of the Privy Council.

P.C. 68.

CERTIFIED COPY of a Report of the Privy Council approved by His Royal Highness the Governor General on the 12th January, 1915.

The Committee of the Privy Council, on the recommendation of the Right Honourable the Prime Minister, advise that authority be given for the payment of the accompanying account of the Gazette Printing Company amounting to \$1,594.88, being payment for printing, packing, etc., of 101,350 copies of Booklet entitled "Canada at War"; and that such amount be charged to the sum of \$15,000 transferred to the Privy Council Office from the Appropriation made by Parliament at its last session for the expenses of the war.

RODOLPHIE BOUDREAU.

Clerk of the Privy Council.

OFFICE OF THE AUDITOR GENERAL,
CANADA.

OTTAWA, January 9, 1915.

The Clerk of the Privy Council,
Ottawa.

DEAR SIR,—Your letter of yesterday to the Deputy Minister of Finance enclosing an account from the Gazette Printing Company has been transferred to this Office.

Before certifying payment of this account I have to request that an Order in Council be passed authorizing its payment. The Order of the 18th November (No. 2906) is not sufficient.

I am, sir

Your obedient servant,

J. FRASER.

Auditor General.

OFFICE OF THE AUDITOR GENERAL,
CANADA.

OTTAWA, February 16, 1915.

The Under Secretary of State,
Ottawa.

SIR,—In compliance with your request I send you herewith the correspondence of this Office asked for by Mr. Maclean (Halifax) respecting expenditure under the War Appropriation Act, and that asked for by Mr. Pugsley relating to the purchase of two submarines.

I am, sir,

Your obedient servant,

J. FRASER.

Auditor General.

APPENDIX No. 3

CORRESPONDENCE WITH DEPARTMENT OF NAVAL SERVICE *RE* WAR APPROPRIATION.

AUDITOR GENERAL'S OFFICE.

29th August, 1914.

The Deputy Minister of Naval Service,
Ottawa.

SIR,—I have to acknowledge receipt of your application No. 700 of 26th August, for the payment of \$1,150,000 to the Canadian Bank of Commerce, being amount advanced to the Provincial Government of British Columbia for the purchase of two submarines for your Department.

Before dealing with this application it will be necessary for you to furnish me with the report of the Technical Officers of your Department mentioned in the Order in Council of 7th August and also the Bill of Sale or other documents vesting the ownership in the Dominion Government. You will observe that the amount authorized in the above Order in Council is only \$1,050,000 and this amount corresponds with the amount said to have been advanced by the Provincial Government of British Columbia as stated in the telegram of Sir Richard McBride to the Prime Minister dated 4th August, 1914.

I should also be furnished with an explanation as to what purpose the additional sum of \$100,000 is to be applied and also with an Order in Council authorizing the payment of this sum for such purpose.

I am, sir,

Your obedient servant,

J. FRASER.

Auditor General.

DEPARTMENT OF THE NAVAL SERVICE.

OTTAWA, October 10, 1914.

The Auditor General, Ottawa.

SIR,—I have the honour to acknowledge the receipt of your letter of August 29 last with reference to our application No. 700 for the payment of \$1,150,000 to the Canadian Bank of Commerce, being amount advanced to the Provincial Government of British Columbia, for the purchase of two submarines for this Department.

Owing to a clerical error the purchase price mentioned in the copy of the telegram attached to our application was shown as \$1,050,000, whereas the actual price is \$1,150,000.

I enclose herewith a certified copy of the telegram received by the Premier, which I would ask you to substitute for the copy forwarded with our application.

I have the honour to be, sir,

Your obedient servant,

G. J. DESBARATS,

Deputy Minister.

5 GEORGE V., A. 1915

VICTORIA, B.C., August 4, 1914.

Right Hon. Sir ROBERT BORDEN,
Prime Minister, Ottawa.

After consultation with Burrell and Naval Officers have advanced to-night one million one hundred and fifty thousand dollars to Lieutenant Pilcher, Senior Naval Officer in command, for purchase two modern submarines lying Seattle Harbour, and built for Chile. All arrangements complete for their arrival Esquimalt to-morrow morning unless untold incident occurs. Congratulate Canada if this operation successful on acquisition of such useful adjunct defence of country.

R. McBRIDE.

I hereby certify that the above is a true and accurate transcription of a cipher Canadian Pacific Telegraph message received by the Prime Minister from Sir Richard McBride.

A. E. BLOUNT.

DETAILS OF CANADIAN SUBMARINES.

Built at Seattle by Moran Brothers for Chilean Government. Purchase price, \$1,150,000.

	Submarine No. 1.	Submarine No. 2.
Launched.....	3rd June, 1913	31st December, 1913.....
Surface displacement.....	313 tons	313 tons
Submerged	421 tons	421 tons
Surface speed	13 knots	13 knots
Submerged speed	10·25 knots	10·25 knots
Length	144 feet	151½ feet
Beam	15 feet	15 feet
Armament	5 torpedo tubes	3 torpedo tubes
Torpedoes carried	5 18-inch	6 18-inch

Ref. 10.

CORRESPONDENCE WITH PRIVY COUNCIL RE WAR APPROPRIATION.

AUDITOR GENERAL'S OFFICE, January 9, 1915.

The Clerk of the Privy Council,
Ottawa.

DEAR SIR,—Your letter of yesterday to the Deputy Minister of Finance enclosing an account from the Gazette Printing Company has been transferred to this Office.

Before certifying payment of this account I have to request that an Order in Council be passed authorizing its payment. The Order of the 18th November (No. 2906) is not sufficient.

I am, sir, your obedient servant,

J. FRASER,
Auditor General.

APPENDIX No. 3

AUDITOR GENERAL'S OFFICE, December 4, 1914.

The Deputy Minister of Finance,
Ottawa.

SIR,—I wish to call your attention to the expenditure made by the Department of Militia and Defence under the War Appropriation Act, 1914.

At a conference, on 27th August, 1914, at which were present Officers of the Departments of Militia and Defence, Naval Affairs and Finance and the Auditor General, held for the purpose of arriving at a working arrangement to facilitate the purchase and payment of supplies, etc., for the overseas contingent, it was agreed to issue a Letter of Credit to the Department of Militia and Defence, on condition that no payments would be made out of the Credit until the approval of the Governor in Council was obtained for the purchase.

This arrangement was agreed to by the officials of the Department of Militia and Defence and Letters of Credit have been issued from time to time as required.

The vouchers for payments made have been received in the Auditor General's Office for a portion of the expenditure up to the latter part of September.

An examination of these vouchers shows that the agreement referred to above has not been adhered to. Large expenditures have been made for which the approval of Council has not been obtained, at least no copies of the Orders in Council have reached me.

For auto-trucks, motors, and motor supplies over half a million dollars has been expended, for drugs, surgical supplies, etc., over \$90,000, field glasses over \$50,000 and various other items—the whole amounting to over \$1,000,000. No Orders in Council have been received for these articles.

This is only up to the end of September. Since that time large expenditures have been made in October and November but as I have not received the vouchers I cannot say what proportion has been spent without authority.

This is a clear violation of the War Appropriation Act and also of the understanding on which I consented to the issue of a Letter of Credit. I have, therefore, to request that you will inform the Department of Militia and Defence that their Letter of Credit is no longer available for payments on account of War Appropriation Account and no further cheques may be drawn for that purpose until the provisions of the Act are complied with.

I regret the necessity for this action but I have no other course open to me. I know it is a very serious matter to place any obstacle in the way of the Militia Department when the country is at war and with this in view I consented to an arrangement which could not, in any degree, hamper the Department. In return I had every right to expect that the Minister of Militia and Defence would carry out, not only the agreement of his officials but that he would also respect the directions of Parliament.

I am, sir,

Your obedient servant,

J. FRASER,

Auditor General.

FINANCE DEPARTMENT, OTTAWA, September 3, 1914.

JOHN FRASER, Esq., I.S.O.,
Auditor General,
Ottawa.

DEAR Mr. FRASER,—I enclose herewith a memorandum of the results arrived at at the meeting held on the 27th August, on the subject of the War Expenditure.

Yours very truly,

T. C. BOVILLE,

Deputy Minister of Finance.

5 GEORGE V., A. 1915

MEMORANDUM RESPECTING WAR EXPENDITURE.

Under instructions from the Minister of Finance, a meeting was convened in the office of the Minister of Finance at 4 p.m., August 27, 1914, at which the following were present:—

The Auditor General.
The Deputy Minister of Militia,
The Deputy Minister of Naval Affairs,
The Paymaster General, Department of Militia and Defence.
The Assistant Deputy Minister of Finance,
The Deputy Minister of Finance (Chairman).

It was explained by the chairman that the meeting was convened under instructions from the Prime Minister to consider the mode of authorizing and making expenditure out of the special war appropriation.

The War Appropriation Act was laid before the meeting.

After a general discussion of the matter the following method of dealing with the war expenditure was adopted:—

1. All expenditure coming within the terms of the Act and paid out of the war appropriation to be kept in the accounts separate and apart from the accounts of appropriations granted by Parliament for the ordinary and useful services of the Departments concerned.

2. The principle of audit after payment to be adopted in regard to the expenditures in order that the business might be carried on as expeditiously as possible. The Auditor General expressed himself as satisfied with the accounting machinery of the Departments concerned.

3. Payments to be made by cheques against letters of credit in the ordinary course.

4. Special reference was made to sections 2 and 3 of the War Appropriation Act respecting the necessity of action by the Governor in Council before any expenditure under the Act could be defrayed, and also as to the establishment of rates of pay and allowances by Order in Council, especially in their relation to the suggested setting aside of \$30,000,000 for the use of the Department of Militia and Defence. The Orders in Council of the 6th August (No. 2067), 10th August (No. 2080), 14th August (No. 2112) were submitted and, with a draft order which the Paymaster General has under way as to Pay and Allowances, were regarded as sufficient authority without further action for the pay and rations of the 26,000 men being mobilized at Valcartier; also for the 6,000 horses required, as well as necessary forage; also for the subsistence of the troops prior to arriving at Quebec and for their transport thither; for their transport abroad and for the return transport.

It was not deemed necessary that an estimated amount should be specifically sanctioned by Order in Council. The Orders referred are the authority for incurring the expenditure necessary to produce the results to be arrived at.

5. An Order in Council should be obtained to cover the expenditures for Ocean Transport; for the Engineer Services at Halifax, Quebec and elsewhere; for equipment, including carts, wagons, etc.; clothing; and Dominion Arsenal. The Orders in these cases should give as much detail as can conveniently be furnished.

6. Expenditure for censorship is authorized already by Order in Council.

7. Payments of detachments of troops on guard at various places in Canada is covered by the Militia Act and by Regulations and Orders.

8. For the movement of troops, ammunition, etc., in Canada it is not considered that an Order in Council is necessary as it is covered by the Militia Act and Regulations.

9. No Order in Council is needed as yet for the additional troops or unforeseen expenses. In such cases, as necessity arises, the action of the Governor General in Council should be obtained.

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II. DEPARTMENT OF NAVAL AFFAIRS.

10. With regard to the requirements of the Naval Department, an Order in Council was passed placing the *Niobe* and *Rainbow* at the disposal of the Imperial Government. Any expenditures necessary to carry out this offer is accordingly authorized. The pay and allowances are also covered by Order in Council.

11. For the purchase of Stores, Wireless Stations and Aeroplanes, and for the hire of vessels, or outlays on any of the services apart from those already authorized in connection with the *Niobe*, *Rainbow*, two submarines, and pay and allowances, the authority by an Order in Council will be obtained with as much detail as conveniently can be given.

12. Some arrangement should be made with officers of the service and others who are now doing special duty, e.g., Major C. F. Hamilton, Captain Chambers, and F. Cook, who are employed as censors, as to the rate of remuneration. These officers are now serving in a dual capacity.

13. If deemed necessary any expenditure in connection with secret service, following the plan adopted some years ago might be vised by some Privy Council representative of the Opposition.

III. GENERALLY.

As the war Appropriation Act provides for an extensive expenditure, is general in character and is being administered by several Departments, it is necessary that there should be more than ordinary care taken in the control of any outlay made thereunder. To this end it is desirable that the Government, even in cases where the expenditure is authorized generally, should in the public interest exercise special supervision over not only the nature but the extent also of the obligations incurred under the provisions of the Act. So far as it is possible the same safeguards should be thrown around the War Expenditure as are employed in connection with the operations of the larger spending Departments.

The principle of public tender should be adopted as far as practicable in the construction of works or the purchase of materials and supplies; orders involving the outlay of sums say of \$5,000 or over should receive the sanction of Council before issue; or in case of orders given under the pressure of urgency they should be reported and confirmed later by Order in Council.

T. C. BOVILLE,

Deputy Minister of Finance.

DEPARTMENT OF MILITIA AND DEFENCE,

OTTAWA, February 12, 1915.

The Auditor General,
Ottawa, Ont.

SIR,—In accordance with your request of the 5th instant, I now beg to enclose copies of orders for clothing given to Mackenzie Ltd., as follows:—

H.Q. 565-2-5	Order for hospital clothing,	d/-	Aug.. 31
H.Q. 565-2-12	"	"	d/- Sept. 15
H.Q. 565-2-22	"	"	d/- Sept. 16

I am, sir,

Your obedient servant,

EUG. FISET,

Surgeon-General,

Deputy Minister Militia and Defence.

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AUDITOR GENERAL'S OFFICE, February 5, 1915.

The Deputy Minister of Militia and Defence,
Ottawa.

SIR,—I have to request that you be good enough to supply me with copies of the following contracts made with Mackenzie, Ltd., Ottawa:—

H.Q. 565-2-22

H.Q. 565-2-5

H.Q. 565-2-12

I am, sir,

Your obedient servant,

J. FRASER.

Auditor General.

DEPARTMENT OF MILITIA AND DEFENCE,

OTTAWA, December 23, 1914.

The Auditor General,
East Block,
Ottawa.

SIR,—I beg to acknowledge receipt of yours of the 24th ultimo, asking for copies of all contracts made since the outbreak of the war. So far as the contracts made and being made since the date of your letter are concerned, I understand a copy is being sent you in each case, at the time the contract is made.

With regard to the contracts made between the outbreak of war and the date of your letter, I understand that Mr. Borden, the Accountant and Paymaster General, and Mr. Brown, Director of Contracts, have discussed this with you in your office on the 17th instant.

I have the honour to be, sir,

Your obedient servant,

EUG. FISET,

*Surgeon Major-General,**Deputy Minister, Militia and Defence.*

AUDITOR GENERAL'S OFFICE, November 12, 1914.

The Deputy Minister of Militia and Defence,
Ottawa.

SIR,—I find in the August and September Accounts, charged to War Appropriation, and paid at Headquarters, that a considerable number of vouchers bear one of the following certificates: "Payment recommended," "Certified correct," "Examined and found correct." The vouchers should be certified in the words prescribed by section 33 of the Audit Act, namely, "Materials received" and "Prices fair and just," or "Prices according to contract," as the case may be. Each certificate should be made only by an officer having personal knowledge of the fact which he certifies.

Please see that in all cases the requirements of this Section are complied with.

I am, sir, your obedient servant,

E. D. SUTHERLAND,

for Auditor General.

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AUDITOR GENERAL'S OFFICE, November 9, 1914.

The Deputy Minister of Militia and Defence,
Ottawa.

SIR,—I notice that many of the vouchers received, charged to the War Appropriation, are duplicates made in your own Department. Let me remind you that the Audit Office needs the original vouchers made out by the creditors themselves, since they are the best evidence of liability.

I am, sir, your obedient servant,

E. D. SUTHERLAND,
for Auditor General.

AUDITOR GENERAL'S OFFICE, November 24, 1914.

The Deputy Minister of Militia and Defence,
Ottawa.

SIR,—In my letter to you of the 3rd inst., with reference to certificates on accounts charged to the War Appropriation at Headquarters, I requested that this office be furnished with copies of all contracts made in connection with this expenditure.

In your reply of the 18th inst., you refer to certificates only. As it is essential in the audit of accounts to have the contract or agreement, I have to again request that copies of these documents be supplied this office. I might point out that the practice followed in the larger spending departments is to have a sufficient number of copies made in the first instance, so that one can be supplied the Audit office.

I am, sir, your obedient servant,

J. FRASER,
Auditor General.

DEPARTMENT OF MILITIA AND DEFENCE,
OTTAWA, November 18, 1914.

The Auditor General,
Ottawa, Ont.

SIR,—With reference to your letter of the 3rd instant on the subject of a certificate being placed on the accounts chargeable to the War Appropriation by the Contract Branch, I have the honour to say that Mr. Brown, the Director, has explained the conditions to Mr. Folkins of your Department, who has agreed to the present system. The certificate respecting prices will be changed to accord with your suggestions.

I trust that this will be satisfactory.

I have the honour to be, sir,
Your obedient servant,

EUG. FISET,
Colonel Deputy Minister.

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AUDITOR GENERAL'S OFFICE, November 3, 1914.

The Deputy Minister,
Militia and Defence,
Ottawa.

SIR,—I notice that the accounts charged to "War Appropriation," bear the certificate of Mr. H. W. Brown, as follows:—

Certified that the articles herein specified have been received; that the prices are fair and reasonable; that the purchase has been duly authorized by the Minister of Militia, and that no item in this account has been previously Certified by me for payment.

H. W. BROWN,
*Director of Contracts, Dept. Militia and Defence,
Ottawa.*

All accounts for materials supplied should be certified as "goods received" by the officer who handles them. Unless Mr. Brown has personal knowledge that these supplies have been received in the quantities for which charge has been made, he is not the proper officer to certify in this respect. The officer to do so, is the person into whose charge the goods were delivered. The certificates, prices "fair and just," or "according to contract," as the case may be, should be made by an officer who is familiar with their value. The Director of Contracts would, no doubt, be a proper person in most cases to make this certificate, but to meet the provisions of Section 33 of the Revenue and Audit Act, he should certify that the prices charged are according to contract, or if not covered by contract are fair and just.

I have also to request that this office be furnished with copies of all contracts made in connection with the War Expenditure.

I am, sir, your obedient servant,

J. FRASER,
Auditor General.

DEPARTMENT OF MILITIA AND DEFENCE.

OTTAWA, February 15, 1915.

The Auditor General of Canada,
Ottawa, Ont.

SIR,—In reply to your letter of February 2, I enclose statement showing the voucher numbers of the accounts for binoculars, compasses and telescopes on which Messrs. P. W. Ellis & Co. was paid a commission of 10 per cent, amounting to \$9,011.52. These vouchers complete, are now in your hands.

I have the honour to be, sir,

Your obedient servant,

EUG. Fiset,
*Surgeon-General,
D.M.M. & D.*

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LIST OF ACCOUNTS made by the Department of Militia and Defence on which a Commission of 10 per cent was paid by Cheque No. 5829 to P. W. Ellis & Co.

Date 1914.	Cheque.	Amount.
September 19..	2456	\$ 3,001 00
October 2..	2801	10,234 40
" 22	3337	2,978 00
" 22	8	6,500 70
" 22	9	3,775 50
" 22	3,340	619 54
" 22	1	7,076 30
" 30	3639	5,766 71
" 30	3640	511 45
" 30	1	1,552 75
" 30	2	605 15
" 30	3	18,237 21
" 30	4	16 00
" 30	5	443 00
November 19	4235	5,136 15
" 24	4369	561 00
" 24	4370	2,040 55
" 24	1	6,560 00
" 24	2	13,970 75
" 24	3	529 50
		<hr/>
		\$90,115 66

DEPARTMENT OF MILITIA AND DEFENCE,
OTTAWA, February 12, 1915.

The Auditor General, Ottawa.

SIR,—I have your letter of the 6th instant, with further reference to the price paid the Consolidated Optical Company for prismatic binoculars.

The facts, as I am advised, are not quite as you suppose. It is not correct to say that the Department first placed the order with the Consolidated Optical Company, who thereupon made arrangements with Bausch & Lomb; thus acting as intermediary or broker only.

Actually, the Consolidated Optical Company first bought the glasses, before receiving any order or equivalent assurance from the Government; and afterwards, resold what was their own property and not the property of Bausch & Lomb.

As to the profits made by the Company, my information is that they were considerably less than you suppose. It seems to me, however, that this is not material or pertinent. The point is whether or not this was the best bargain that could be made at the time; and there is no doubt whatever about this.

We paid \$42 for which, some weeks before, Bausch & Lomb would sell only at \$51.70; and for which, at the time our order was given, the British Government was paying decidedly more than \$42, in quantities very much larger than ours.

Moreover, had the Consolidated Optical Company known at the time, they could have easily sold these very glasses to the Imperial Government at an advance of several dollars over the price we paid them.

It was a mere accident that the Company did not know the Imperial Government was in the market. We had no means of forcing the price down; and on the

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other hand, the Company had this other opportunity of disposing of the glasses to better advantage.

Under the circumstances, I am sure you will agree with me that the Government made a very good bargain.

I am, sir, your obedient servant,

EUG. FISET,

Surgeon-General.

Deputy Minister of Militia and Defence.

AUDITOR GENERAL'S OFFICE, February 6, 1915.

The Deputy Minister of Militia and Defence,
Ottawa.

SIR,—I am in receipt of your letter of the 23rd of January with reference to the purchase of 1,000 prismatic binoculars at \$33 and \$42 respectively. In explanation of the prices paid, you say that the offer of the Consolidated Optical Company to supply 1,000 glasses at \$42 and \$33 f.o.b. the factory, Rochester, was made on or about the 16th of October, or more than two weeks after Bausch & Lomb had withdrawn all their trade discounts, which was about 50 per cent. I am informed that the prices paid by the Consolidated Optical Company of Toronto to Bausch & Lomb for the 6 by 30 binoculars was about \$30, and as the glasses were taken over by the Government at the factory, the Consolidated Optical Company merely placing the order, the profit of about \$12 per glass would appear to be unusually large under these circumstances.

I am, sir, your obedient servant,

J. FRASER,

Auditor General.

AUDITOR GENERAL'S OFFICE, February 2, 1915.

The Deputy Minister of Militia and Defence,
Ottawa.

SIR,—Let me call your attention to cheque No. 5829 charged to War Appropriation and paid at Headquarters. This cheque of \$9,011.52 is a payment to P. W. Ellis & Co., of Toronto, for commission on purchase of binoculars for the Department of Militia and Defence. Please let me have a detailed statement showing the accounts on which commission has been paid, and if there was a contract or agreement entered into with this concern, be good enough to let me have a copy of the same.

I am, sir, your obedient servant,

J. FRASER,

Auditor General.

DEPARTMENT OF MILITIA AND DEFENCE,

OTTAWA, January 23, 1915.

The Auditor General,
Ottawa.

SIR,—I beg to acknowledge receipt of your letter of the 18th instant, with regard to the purchase of 1,000 prismatic binoculars at \$33 and \$42 respectively, from the Consolidated Optical Company of Toronto. In accordance with your suggestion, a recommendation is now being prepared, providing for the amendment of the Order in

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Council of the 27th October last, authorizing this purchase; by specifying that delivery was to be made f.o.b. Rochester, N.Y., and by giving a description of the binoculars in question.

I may say that while this may be necessary in order to make the matter perfectly clear to the Privy Council; it was well understood by the officials of the department, at the time the bargain was made, that delivery at the factory was to be a condition of the contract. I am advised that jobbers' quotations for glasses of this description are usually for delivery f.o.b. the factory: since Messrs. Bausch & Lomb's list prices are made upon this basis.

As regards the prices paid by the department for binoculars of this kind, supplied by P. W. Ellis & Company, of Toronto, and purchased by them from the Topley Company, of Ottawa; it will perhaps make the matter clearer if it is explained that these binoculars, although delivered in October, were purchased several weeks before the end of September, when Bausch & Lomb's usual trade discounts were in effect; that these trade discounts from the list prices amounted to a reduction of nearly 50 per cent; that the list prices were at that time \$60 and \$40, respectively, for the two types of glasses; that on or about the 29th of September, Messrs Bausch & Lomb cancelled all trade discounts, and that no such discounts have been allowed since that date.

The offer of the Consolidated Optical Company to supply 1,000 glasses at \$42 and \$33 f.o.b. factory, Rochester, was made on or about the 16th October; or more than two weeks after Bausch & Lomb had withdrawn all their trade discounts.

This was also about two weeks after Messrs. Bausch & Lomb had quoted prices of \$41 and \$51.70 respectively, for any quantities of these two types of glasses up to 20,000, for the British War Office.

This department, therefore, was paying \$9.70 less for its 6 x 30 binoculars than Messrs. Bausch & Lomb's quotation upon a quantity of 20,000 in October.

Moreover, I am advised that after Messrs Bausch & Lomb had made these quotations of \$41 and \$51.70, they were induced by Mr. F. W. Stobart, representing the War Office, to undertake an order for a very large quantity—said to be 10,000 binoculars—at a price several dollars higher than the \$42 paid by the Canadian Government to the Consolidated Optical Company.

It would appear that the department had made an extremely good bargain in buying these glasses at \$33 and \$42 per pair; more especially as, had the Consolidated Optical Company known that the War Office were in the market for a very large quantity, they could easily have disposed of them to Mr. Stobart at the price which the War Office are now paying Messrs. Bausch & Lomb; this being, as I have said, several dollars higher per pair than this department is paying.

I have the honour to be, sir,

Your obedient servant,

EUG. FISET, *Surgeon General.*
Deputy Minister of Militia and Defence.

AUDITOR GENERAL'S OFFICE, January 18, 1915.

The Deputy Minister of Militia and Defence,
Ottawa.

SIR,—With reference to the Order in Council of 27th October last, which authorized the purchase of 1,000 Prismatic Binoculars at \$33 and \$42 respectively, for the two patterns offered by the Consolidated Optical Company, Toronto, I would point out the prices quoted in this order would appear to be for delivery in Canada, but according to your letter, H.Q. 466-15-42, these prices are for delivery f.o.b., Rochester, N.Y.

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The Order in Council should be amended by stating the place where delivery is to be taken of these binoculars, and, in addition, a description of the two patterns as given in your letter should be included.

I might mention that in the November accounts, paid at Headquarters, I find vouchers covering an expenditure of about \$13,000 for these same kind of binoculars, supplied by P. W. Ellis & Co., Toronto, but apparently purchased from the Topley Co. of Ottawa, and delivered in the month of October at Ottawa prices of \$38 and \$46.66 respectively, upon which duty at the rate of 25 per cent must have been paid as well as the charges for freight, etc.

In view of the prices paid in Canada, it would appear that those paid in Rochester, N.Y., namely, \$32 and \$42 respectively, are excessive. Please explain.

I am, sir, your obedient servant,

J. FRASER,
Auditor General.

DEPARTMENT OF MILITIA AND DEFENCE,
OTTAWA, November 13, 1914.

The Auditor General,
Ottawa.

SIR,—I beg to acknowledge receipt of your letter of the 7th instant, requesting further information with regard to the 1,000 prismatic binoculars, for the purchase of which from the Consolidated Optical Company, Limited, an Order in Council was passed on the 27th ultimo.

These binoculars are manufactured by Bausch & Lomb Optical Company of Rochester, New York, and are of two patterns, namely: "6X, 30 mm. diameter" at \$42, and "8X, 25 mm. diameter" at \$33. A description of them will be found in the enclosed catalogue of the Bausch & Lomb Company, at pages 14 and 16. Glasses of this description are prescribed for use in the British Army Service.

The prices quoted are for delivery f.o.b. the factory Rochester.

I am, sir, your obedient servant,

H. W. BROWN,
*Director of Contracts,
for Deputy Minister of Militia and Defence.*

AUDITOR GENERAL'S OFFICE, November 7, 1914.

The Deputy Minister of Militia and Defence,
Ottawa, Ont.

SIR—I am in receipt of an Order in Council, dated 27th October, 1914, advising that an order be placed with the Consolidated Optical Company Limited, Toronto, for 1,000 prismatic binoculars, the prices to be \$33 and \$42 respectively, for the two patterns offered.

As prismatic binoculars are manufactured by many concerns at prices ranging from \$20 upwards, I have to ask that you be good enough to furnish this office with a description of the patterns ordered, also giving the name of the maker. This Order in Council does not specify where delivery is to be made. Please inform me of this.

I am, sir, your obedient servant,

E. D. SUTHERLAND,
For Auditor General.

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DEPARTMENT OF MILITIA AND DEFENCE,

OTTAWA, January 30, 1915.

The Auditor General,
Ottawa.

SIR,—I am directed by the Deputy Minister to send you the enclosed copy of a letter, dated 28th instant, which I received yesterday from Mr. W. F. Garland, M.P., relating to statements made in my letter of the 26th instant, addressed to Mr. E. Powell, a copy of which was sent you with General Fiset's letter of the 26th instant.

I have no comment to make upon Mr. Garland's letter, except to say that the statements contained in my letter to Mr. Powell of the 26th instant are substantially correct; and I have nothing to retract or cancel therefrom.

My recollection of the circumstances is clearer and more definite because this matter has been under discussion, on one account or another, many times since last August. It was under discussion or review in September, October, November, December and January.

I am, sir, your obedient servant,

H. W. BROWN,
Director of Contracts.

OTTAWA, Ont., January 28, 1915.

Mr. H. W. BROWN,
Director of Contracts,
Militia Department,
Ottawa.

DEAR SIR,—Mr. E. Powell has shown me your letter of the 26th January, making certain complaints as to the prices charged and paid for some field dressings—British War Office pattern, which Mr. Powell has supplied to the Militia Department as agent for Messrs. Bauer & Black, of Chicago.

The letter contains considerable reference to myself, and you go so far as to intimate that I had an interest in the profits of this order, and further, that I had misrepresented to you what these profits were.

I say to you now in the plainest language that can be used, that your insinuations are false and cowardly, and I say further that I made no representation of any sort as to these profits, and you know that I did not. I will await with interest your attempt now to establish that I had any interest whatever in Mr. Powell's order.

I recommended Mr. Powell to your Department and on his behalf requested that he receive consideration in this matter, and, having some knowledge myself of this class of business, I urged the price paid by your Department—21 cents—as fair and reasonable under the circumstances, and my position in all these matters I am prepared to defend at any time when called upon, and have nothing whatever to conceal.

I at no time stated that the profit was only 5 per cent, or anything of that kind. So far as I know the Department purchased with full knowledge of what they were getting, and paid accordingly.

It will be, of course, for Mr. Powell, and not for me, to take up with the Department the question as to whether or not he should be paid for the balance of the goods he has supplied, which supplies I understand were made after open tender.

Yours truly,

WM. F. GARLAND.

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DEPARTMENT OF MILITIA AND DEFENCE,

OTTAWA, January 27, 1915.

The Auditor General, Ottawa.

SIR,—I beg to acknowledge receipt of your two letters of the 26th November and 17th December last, in which exception is taken to payments made to E. Powell for first field dressings, and other medical supplies, purchased for the 1st contingent. Mr. Brown, Director of Contracts, by whom these orders were given, makes the following statement with regard to these accounts:—

“The first requisition for field dressings was made by the Director General of Medical Services on the 22nd August, when 30,000 field dressings were demanded. This requisition was accompanied by the following note: ‘Herewith service requisition for 30,000 first field dressings, to be supplied by Messrs. Bauer & Black, Chicago. Kindly rush this order.’ I was told by telephone that these field dressings should be available at the latest within two weeks; and that Messrs. Bauer & Black’s representative was in Ottawa at that time; that inquiry had been made and it was found that no other source of supply was available. I was requested to make arrangements with Mr. Shaver, Bauer & Black’s agent, with as little delay as possible, as the necessity for the dressings was most immediate and pressing.

“Prior to this, it had been the practice to procure these dressings from British manufacturers, S. Maw Sons, who are contractors also for the British War Office.

“On or about August 24, Mr. W. F. Garland, M.P., and Mr. Shaver, of Toronto, representing Messrs. Bauer & Black, called to see me and we discussed prices, deliveries, etc. I asked Mr. Shaver to quote a price, which he declined to do until he had telephoned Chicago. Later on, he answered me that his head office would not make any certain price, because the time given them was so short that they might have to work overtime; and the militia medical staff insisted upon the War Office pattern of dressings, which was different from the American package. Mr. Shaver said moreover, that Bauer & Black were contractors for the American Government for the supply of field dressings and could give prompt and early deliveries of the United States Army dressing at a much lower price; but that this was not so satisfactory to Colonel Jones and his staff. Pressed to give a price, Mr. Shaver said he thought it might be about 18 cents; but this he would not guarantee.

“Mr. Shaver, moreover, informed me in the presence of Mr. Garland, M.P., that Mr. E. Powell, of Ottawa, was the Ottawa representative of Bauer & Black; and that he wished the order to be given Mr. Powell in that capacity.

“We had never had any dealings with Bauer & Black before, so far as I know; as all supplies of this kind had hitherto come from British sources.

“In accordance with Mr. Shaver’s instructions, the order was given to Mr. Powell, as representing Bauer & Black, Chicago.

“The dressings were delivered within a short time; and subsequently, repeat orders were given under much the same conditions. In each case, immediate delivery was insisted upon, the time was very short and the British or other sources of supply were not available.

“During September, Mr. Powell sent in several bills for these dressings, at 23 cents. I refused to certify them for payment, as the price was exorbitant and not in accordance with the understanding with Mr. Shaver; who, although he had not promised anything definite, had held out some expectation of being able to supply at 18 cents. I afterwards sent Mr. Donaldson of my office to Powell to get some information; but without much result.

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"Subsequently, Mr. Powell reduced his price from 23 cents to 21 cents, but I refused to certify the accounts at this price. Finally, Mr. W. F. Garland, M.P., called and discussed the matter with me; and assured me, with some emphasis, that Mr. Powell at 21 cents was making only 5 per cent on the cost of the dressings. Mr. Garland made the statement more than once and emphatically. Upon the strength of his assurance that this was so, I certified the accounts as fair and reasonable."

It appears from the list enclosed with your letter of the 17th December, that Mr. Powell's profit on these field dressings was not 5 per cent, but 5 cents each; or $31\frac{1}{2}$ per cent, not 40 per cent as stated in your letter.

I beg to enclose copy of letter sent by Mr. Brown to-day to Mr. Powell, calling for a rebate of \$2,822.40, representing the difference between the 5 per cent which Mr. Garland said Mr. Powell was getting, and the $31\frac{1}{2}$ per cent which Mr. Powell actually made.

You will observe from Mr. Brown's letter to Mr. Powell that the Department still owes Mr. Powell six different bills for supplies, aggregating \$2,601.77; and that it is proposed to withhold payment of these bills until Mr. Powell has made a refund of the amount claimed.

I am, sir, your obedient servant,

EUG. FISET, Surgeon General,
Deputy Minister of Militia and Defence.

NOTE.—I also enclose copies of letters from Mr. Powell, dated September 1 and 3, and copy of one from Bauer & Black, dated October 28.

TORONTO, Ont., October 28, 1914.

MR. E. POWELL,
981 Wellington St.,
Ottawa, Ont.

DEAR SIR,—We beg to advise you that the difference in our prices for absorbent cotton, bandages, gauze and field dressings, that you recently purchased as against the prices paid for the same goods on former orders for the Government is based on the cost of raw material. On your first orders the prices were as low as we could possibly make at that time. We are pleased to be able to give you these price advantages owing to the big drop in the price of raw cotton. No doubt the present low price for cotton will hold for some time.

Yours very truly,

W. J. SHAVER,
Can. Representative.

OTTAWA, September 3, 1914.

MR. H. W. BROWN,
Dept. of Militia and Defence.

DEAR SIR,—Enclosed please find a corrected invoice on field dressings. This is the very lowest that I can do because as you are aware that it is a specially prepared package. Bauer & Black had to make this as a special. The one used and made by

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them for United States Army could have been laid down here much cheaper and is put up in a tin box similar to a sardine can. This could not be used in this case whatever. The firm was very loath about making this order at present at all as they had so many other large orders to attend to, one of about one-half million from their Bristol Agency in Liverpool. I have no doubt but Maw, London, England, could have and perhaps can now for all I know prepare this article at less cost, but you can clearly see the firm's position—special packages and two weeks to deliver, rushed with other goods, etc. I hope that you will consider this in your fair way as I have tried to do. Thanking you,

I remain, yours truly,

E. POWELL.

OTTAWA, September 1, 1914.

Mr. H. W. BROWN,
Director of Contracts.

DEAR SIR,—Some time ago you were kind enough as to forward me requisitions for First Field Dressings, one for 7,200 and for 30,000, and a later one for 30,000. In discussing this with you over phone, there was no price fixed; only we said about eighteen cents. Instead I cannot make the price any lower than twenty-three cents. The wholesale people are holding me up as you know now with prices as they say they are too rushed. I can have all shipped at 23 cents, and all additional orders at same price if any needed. The bulk of the goods will be delivered in a few days and all in specified time. Hoping that this is satisfactory,

I remain, yours very truly,

E. POWELL.

202-4-20

513-8-1

January 26, 1915.

E. POWELL, Esq.,
981 Wellington St.,
Ottawa.

SIR,—On the 24th August last, an order was given you as Ottawa Agent of Messrs. Bauer & Black, of Chicago, to furnish the Militia Department with 30,000 First Field Dressings of British War Office pattern, at the earliest date possible. It was understood verbally that the deliveries would be made within two weeks.

Prior to giving this order, Mr. W. F. Garland, M.P., and Mr. Shaver, the Toronto Agent for Messrs Bauer & Black, had called to see me. Mr. Shaver, after telephoning his Chicago head office, declined to quote a price, as the time was so short and the style and pattern being British and not American: It was a case of goods made specially to order, and of working overtime to get the work done. Owing to their unfamiliarity with the pattern, Mr. Shaver said his principals could not undertake to set a price; but he thought the dressings could be supplied at about 18 cents.

Although this was much higher than we had usually paid for British made dressings the order was given, because at that time there was no other source of supply.

APPENDIX No. 3

Mr. Shaver informed me, in the presence of Mr. Garland, M.P., that you were Messrs. Bauer & Black's Ottawa representative; and requested that the order be sent you. This was accordingly done.

Later on, repeat orders for 37,200 more of these field dressings were given you upon the same terms—early delivery in each case being imperative.

During September, you invoiced the Department for these goods at 23 cents each.

This was so greatly in excess of the prices formerly paid, as well as of the price estimated by Mr. Shaver—18 cents—that I refused to certify the accounts for payment and sent Mr. Donaldson of this office to see you and obtain some explanation of the extraordinary advance over the estimate.

Eventually, Mr. W. F. Garland, M.P., called to see me, and said the price would be cut down to 21 cents, but that that was the utmost reduction he or you could make, since, at that rate, you got barely 5 per cent on your expenditure.

On the strength of this emphatic and repeated assurance of Mr. Garland that your profit was only 5 per cent, this reduction from 23 cents to 21 cents was accepted and the accounts paid. Only this statement of Mr. Garland secured the payment of your accounts—this and nothing else.

On the 26th November, the Auditor General wrote the Deputy Minister of Militia and Defence, taking exception to the prices paid you for these and other goods; and later on the Auditor General informed General Fiset and myself that Mr. Garland had admitted to him that your profit was not 5 per cent as he had formerly stated, but 5 cents per dressing—a profit of 31½ per cent.

The Auditor General has, therefore, called upon the Department to obtain a rebate from you of \$2,822.40, equivalent to $26\frac{1}{2}$ per cent upon 67,200 field dressings at 16 cents each—this being the actual cost to you of the dressings; and $26\frac{1}{2}$ per cent being the difference between $31\frac{1}{2}$ per cent profit which you actually received and 5 per cent which Mr. Garland represented your profit to be.

I am directed, therefore, to request you to refund this amount to the Department immediately; or make a deposit to the credit of the Receiver General.

Meantime, until this has been done, payment of the following invoices will be withheld:—

Invoice	December	15,	1914..	\$	60	00
"	"	25,	"		775	00
"	"	24,	"		960	00
"	"	26,	"		45	67
"	"	12,	"		719	60
"	"	14,	"		41	50
					<u>\$2,601</u>	<u>77</u>

Awaiting your reply,

I am sir, your obedient servant,

H. W. BROWN,
Director of Contracts.

APPENDIX No. 3

AUDITOR GENERAL'S OFFICE, December 18, 1914.

The Deputy Minister of Militia and Defence,
Ottawa.

SIR,—Let me call your attention to Cheques Nos. 2837, 3222 and 2918, charged to "War Appropriation," and paid at Headquarters. The vouchers in support of these cheques contain the following items:

The McKechnie Music Co., Ottawa.

363 Military Bugles and Trumpets at \$7, \$2,541.

The Whaley Royce Co., Toronto.

150 Military Bugles and Trumpets at \$7.40, \$1,110.

I notice there is a discount of 20 per cent on the claim of 363 bugles at \$7, but on the other claim of 150 at \$7.40, there appears to be no discount. If these instruments are all of the standard pattern I have to ask for an explanation of the discrepancy in the prices charged.

I am, sir, your obedient servant,

J. FRASER.

Auditor General.

AUDITOR GENERAL'S OFFICE,

OTTAWA, January 20, 1915.

The Deputy Minister of Militia and Defence,
Ottawa.

SIR,—I beg to acknowledge receipt of your letter of the 15th inst., with further reference to the contracts made by your Department for delivery F.O.B. at the dock, Montreal, of 44,000 bushels of No. 2 white oats, properly bagged. The accounts show that 6,000 bushels were supplied at 67 cents, 5,000 at 67½ cents, and the balance, 33,000, at 70 cents a bushel.

In my letter to you of the 20th December, I stated that the market price of best Canadian oats, in warehouse at the time of these purchases, was 54 cents a bushel. For No. 2 white, the quality which you now say was supplied, I find the market price was even lower.

You refer to some of the statements made by firms who were invited to tender on these supplies, and conclude as follows: "In fact the whole correspondence tended to show the scarcity of these supplies and the difficulty of securing them within the time specified. It was too early for the 1914 crop, and the 1913 supply had apparently been exhausted."

I find by the Montreal market report that there was an ample available supply of 1913 oats in the warehouses at any time between the date of your telegram inviting tenders and the date of delivery of supplies, consequently, I do not understand why it was not possible to secure a better price.

I am, sir, your obedient servant,

J. FRASER.

Auditor General.

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DEPARTMENT OF MILITIA AND DEFENCE,

The Auditor General,

OTTAWA, January 15, 1915.

Ottawa.

SIR,—I beg to acknowledge receipt of your letter of the 28th ultimo, with further reference to the contracts made by the Department with James McDonnell, Montreal, and George Sparks & Sons, Vars, Ont., for the supply of oats, at 70 cents and 67 cents respectively.

The circular telegram inviting tenders for these supplies was dated August 24, last and read as follows:—

“Please wire quotations before noon 26th instant, delivery f.o.b. dock, Montreal, subject inspection there. Hay, twelve hundred seventy-five tons, baled, three wires to bale, good Timothy, sweet, dry, clean, and well saved free from weeds, not exceeding 20 per cent clover. Forty-four thousand bushels number one white oats, 34-pound bushel, properly bagged. Three hundred tons wheat or oat straw, long, sweet, dry, clean, free from weeds. Fifty tons bran. Only last year's crop hay acceptable. Required at Montreal by September 10.”

The specification for oats was subsequently changed from No. 1 to No. 2 white oats, as it was found impossible to procure No. 1. No quotations for No. 1 white oats were received.

I enclose also copy of the agreement made with Messrs. Geo. Sparks & Sons, giving further particulars.

By a typographical error, the oats were described in this agreement as “Canadian Western” instead of “No. 2 White.” The specification of Canadian Western was, therefore, not insisted upon, as it was not in accordance with the terms of the telegram of the 24th August.

Tenders were invited from the following firms:—

J. A. Forward, Ottawa.
 R. A. Pringle, Ottawa.
 Morris Shaver, Ottawa.
 Johnston & Webster, Lansdowne.
 A. W. Pierce, Aylmer, Ont.
 G. Sparks & Sons, Vars, Ont.
 G. H. Simpson, Montreal.
 Jas. McDonnell, Montreal.
 G. H. Peters & Son, St. John, N.B.
 Frank Black, Sackville, N.B.
 B. F. Smith, East Florenceville, N.B.
 Geo. B. Jones, Apohaqui, N.B.
 J. L. Peck, Hillsborough, N.B.
 H. B. Tremaine, Windsor, N.S.
 Amherst Trading Co., Amherst, N.S.
 E. Killmore, Amherst, N.S.
 J. Hennessy, River Hebert, N.S.
 C. R. Bill, Jr., Kentville, N.S.
 J. E. Chicoine, Vercheres, Que.
 A. Perreault, Belœil Station.
 Montreal Hay Co., Montreal.
 W. Lamarre & Co., Montreal.
 H. Desrosiers, Montreal.
 E. Lemire, Montreal.
 Chas. Arpin, St. Johns, P.Q.
 J. H. Brandon, Fenelon Falls, Ont.
 M. Robinson & Son, Orangeville, Ont.

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Of these, only eight were able to submit prices for oats; and of these, three were for limited quantities, viz:

J. A. Forward, Ottawa, for 5,000 bushels.
 Geo. Sparks & Sons, Vars, for 6,000 bushels.
 J. H. Brandon, Fenelon Falls, for 20,000 bushels.

The eight tenders received were as follows:

J. A. Forward, Ottawa, 67½ cents.
 R. A. Pringle, Ottawa, 71 cents.
 Geo. Sparks & Sons, Vars, 67 cents.
 Jas. McDonnell, Montreal, 70 cents.
 Montreal Hay Co., Montreal, 72½ cents.
 W. Lamarre & Co., Montreal, 70 cents.
 E. Lemire, Montreal, 70 cents.
 J. H. Brandon, Fenelon Falls, 71½ cents.

The letters received in reply to the telegram of the 24th August, made it quite clear that the stock of oats available in the country for delivery by the 10th September was very limited. For instance, G. H. Simpson, Montreal, replied: "No oats till end of September."

The Montreal Hay Company, Montreal, replied: "Impossible to secure the kind of oats you want for September 10. Will, however, offer you No. 2 Canadian Western at 72 cents."

B. F. Smith, East Florenceville, N.B., replied: "Oats and bran must come from the West."

F. B. Black, Sackville, N. B., replied: "No last season's hay, straw or grain in this section."

M. Robinson & Son, Orangeville, Ont., declined, as "unfortunately we are not in a position to make any large shipments from stock at the moment; and in view of the fact that you require delivery in Montreal before September 10, we are not submitting prices."

H. B. Tremaine, Windsor, N.S., replied: "No oats, straw or bran."

In fact, the whole correspondence tended to show the scarcity of these supplies and the difficulty of procuring them within the time specified. It was too early for the 1914 crop, and the 1913 supply had apparently been exhausted.

This explanation, I trust, will be satisfactory.

I have the honour to be, sir,
 Your obedient servant,

EUG. FISET,
*Surgeon General,
 Deputy Minister of Militia and Defence.*

MEMORANDUM OF AGREEMENT entered into between His Majesty the King, presented in that behalf by the Minister of Militia and Defence of Canada, and herein-after called "the Minister" and G. Sparks & Sons, of Vars, Ont.

The Minister agrees to accept 6,000 bushels of oats from the said G. Sparks & Sons, upon the following terms and conditions:—

1. Oats to be No. 2 Canadian Western, white, sound and clean, free from other grain. They should weigh not less than 34 pounds to the bushel.
2. They should be properly bagged, in good, serviceable 80-pound bags.
3. They are to be subject to inspection and acceptance by the Minister or his representative alongside the steamship at Montreal, P.Q. The weight to be verified by certificates from a public elevator.

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4. The price to be sixty-seven cents (67) per bushel of 34 pounds, delivered on the dock at Montreal.

5. The whole 6,000 bushels to be delivered at the dock, Montreal, not later than September, 1914.

EUG. Fiset,
Colonel.

Deputy Minister of Militia and Defence.

I hereby agree to supplybushels on the terms and conditions specified in the above memorandum.

GEO. SPARKS & SONS,
per A. E. SPARKS.

AUDITOR GENERAL'S OFFICE, December 28, 1914.

The Deputy Minister of
Militia and Defence,
Ottawa.

SIR,—I am in receipt of your letter of the 24th inst., regarding payments made to James McDonnell, Montreal, and George Sparks and Sons, Vars, Ontario, for oats supplied at 70 and 67 cents respectively. In your letter you state you have reason to believe that the prices paid at the time, and upon the conditions prescribed by the Department were fair and reasonable.

In reply I beg to say that the quality specified, and conditions prescribed by the Department, *re* delivery, etc., make a very considerable difference, and in this connection I requested, in my letter of the 3rd December, to be furnished with these particulars, which you have apparently over-looked. Please furnish this office with the names of the 27 dealers invited to tender on the 44,118 bushels of oats purchased, also copy of the specification supplied these dealers, and the quantity and price quoted by the persons tendering. I require this information in support of these charges, as I find that the Montreal market price for best Canadian oats in bulk in warehouse, at the time of these purchases, was 54 cents a bushel. I am also informed that the best oats could have been purchased from the regular wholesale trade, bagged and delivered in Montreal, at a much lower rate than the prices paid by the Department, consequently I think that an order amounting to over thirty thousand dollars should not be paid for at retail prices.

I am, sir, your obedient servant,

J. FRASER.
Auditor General.

DEPARTMENT OF MILITIA AND DEFENCE,

OTTAWA, December 24, 1914.

The Auditor General,
East Block,
Ottawa.

SIR,—Replying to your letter of the 3rd instant with regard to the payments made to James McDonald, Montreal, and George Sparks and Sons, of Vars, Ontario, for oats at 70 cents and 67 cents per bushel respectively. I beg to say that these prices were the lowest received in August last from twenty-seven dealers invited to tender from all parts of the country in Nova Scotia, New Brunswick, Ontario and Quebec.

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A total of 44,118 bushels of oats were required. Messrs. Sparks and Sons, whose quotation was the lowest, had only 6,000 bushels to dispose of. Their tender was accepted for this quantity. The next higher tender was that of J. A. Forward, of Ottawa, at 67½ cents, who had only 5,000 bushels to dispose of. His tender was accepted for this quantity. The next higher tenders were those of James McDonald, E. Lemire and W. Lamarre and Company, all of Montreal, at 70 cents per bushel. Contracts were made with these three firms for the supply of about 11,000 bushels in each case.

I have reason to believe that these prices at the time and upon the conditions prescribed by the Department were fair and reasonable.

I am, sir, your obedient servant,

EUG. FISET,

*Surgeon Major General,
Deputy Minister Militia and Defence.*

AUDITOR GENERAL'S OFFICE, December 3, 1914.

The Deputy Minister of
Militia and Defence,
Ottawa.

SIR,—Let me call your attention to the following accounts, charged to "War Appropriation," and paid at Headquarters:—

Cheque 2921, James McDonnell, Montreal:—

September 25, 5,132 bushels of oats at 70 cents per bushel of 34 pounds, \$8,630.47.

Cheque 3186, Geo. Sparks and Sons, Vars, Ont.:—

October, 2,250 bushels of oats at 67 cents per bushel, \$4,020.

These prices appear to be very much in excess of the market price for best Canadian oats, at the date of these purchases.

Please furnish this office with full particulars, specifying the quality, place of delivery, kind of bags supplied and any further information available in support of the charges made.

I am, sir, your obedient servant.

J. FRASER,

Auditor General.

AUDITOR GENERAL'S OFFICE, November 10, 1914.

The Deputy Minister of
Militia and Defence,
Ottawa.

SIR,—Let me call your attention to the following accounts charged to the War Appropriation, for supplies purchased during the months of August and September. The price in each case is in excess of that authorized by Order in Council 3rd September, 1914:—

E. J. Laverdure, Ottawa: 4,800 razors at 75 cents, rate authorized, 65 cents.

McKenzie, Limited, Ottawa: 818 haversacks at 65 cents, rate authorized 57½ cents.

B. F. Ackerman, Son & Co., Peterboro': 1,250 mess tin straps at 25 cents, rate authorized, 22 cents.

S. H. Borbridge, Ottawa: 446 mess tin straps at 25 cents, rate authorized 22 cents.

Murray-Kay Co., Toronto: 13,252 military brushes at 48 cents, rate authorized, 35 cents; 4,660 clothes brushes at 39 cents, rate authorized, 13 cents.

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Ketchum & Co., Ottawa: 100 dozen whistles at \$4 a dozen, rate authorized, \$3.96 a dozen.

Whaley, Royce & Co., Toronto: 12 trumpets and cords at \$8.20 each, rate authorized, \$7; 25 bugles and cords at \$8.20 each, rate authorized, \$6.60.

Please explain these discrepancies.

I am, sir, your obedient servant,

E. D. SUTHERLAND,

For Auditor General.

DEPARTMENT OF MILITIA AND DEFENCE,

OTTAWA, January 6, 1915.

The Auditor General of Canada,

Queen St., Ottawa.

SIR,—I beg to acknowledge receipt of your inquiry of the 14th ultimo *re* payments made by this Department on "Tents" and "Brushes" supplied by Messrs. Smart-Woods, Ltd., and Messrs. Skedden Brush Co., respectively, and in reply to state as follows:—

On our Contract Demand 488 we ordered from Messrs. Smart-Woods, Ltd., "100 Tents, Hubert, Field, Hospital at \$120.00 each," and "100 Waterproof Bottoms at \$18.25 each." Detailed below are the payments made on these tents and bottoms, one of which is that for \$3,960.00 referred to in your letter.

100 Tents, Hospital.

Invoice dtd.	30-9-14	Amount	\$ 3,960.00 for 33 Tents.
"	30-9-14	"	3,000.00 " 25 "
"	5-10-14	"	600.00 " 5 "
"	9-10-14	"	480.00 " 4 "
"	5-10-14	"	600.00 " 5 "
"	4-10-14	"	600.00 " 5 "
"	14-10-14	"	2,760.00 " 23 "
			<hr/>
		12,000 00	" 100 "

100 Tent Bottoms.

Invoice dtd.	30-9-14	Amount	\$ 1,181.50 for 62 bottoms.
"	6-10-14	"	584.00 " 32 "
"	8-10-14	"	109.50 " 6 "
			<hr/>
		1,825.00	" 100 "

Any alterations on the above invoices were due to the fact that our inspector's reports did not coincide with the invoices of the contractor which made it necessary to alter the latter.

New invoices could have been obtained and the old ones cancelled, but to save time, corrections were made on the original invoices.

The explanation given above also applies to the second item of your communication, i.e., the invoice of the Skedden Brush Co. In this instance we ordered from the Skedden Brush Co., Hamilton, on our Contract Demand 214, 500 Body Brushes.

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Owing to the demand at the time for this kind of brush, 619 Body Brushes which were delivered on this order, were accepted and paid for as follows:—

Inv. dtd. 9-9-14—Amount \$242.35 for 133 Body Brushes at 75 cents each. This invoice also covered 460 Harness Brushes ordered on C.D. 329, at 31 cents each.

Inv. dtd. 16-9-14—Amount \$207.78 for 158 Body Brushes at 75 cents each. This invoice also covered 238 Harness Brushes ordered on C.D. 329, at 31 cents each.

Inv. dtd. 16-9-14—Amount 207.78 for 15 Body Brushes at 75 cents each. This invoice also covered 438 Harness Brushes ordered on C.D. 329, at 31 cents each.

As vouchers of the receipt and acceptance of these tents and brushes, we have not only the several reports of the inspectors, certifying to quantities, but also the receipts of the Senior Ordnance Officer at the Ordnance Stores, Ottawa, where these stores were delivered from the Inspection Room.

I have the honour to be, sir,
Your obedient servant,

H. W. BROWN.
Director of Contracts.
For D.M., M. and D.

DEPARTMENT OF MILITIA AND DEFENCE,

OTTAWA, December 21, 1914.

JOHN FRASER, Esq.,
Auditor General,
Ottawa, Ont.

Dear Mr. FRASER,—When Mr. Borden and I were in your office on the 17th instant, you took exception to the practice followed in this office of making additions to contractors' accounts. I tried to explain at the time how unavoidable this was. Perhaps a concrete case will make the matter clearer.

One of our contractors Messrs. E. G. Hachborn & Co., made a shipment of five cases of great coats on the 4th inst., in their cases numbered, 54 55, 56, 57 and 58. Each of these cases contained a packing slip giving the contents by sizes.

The inspector reports that 332 great coats had been received in this lot, instead of 329 as invoiced. This was shown as follows:—

	Invoiced.	Inspected.
Case No. 54	65	65
" 55	69	69
" 56	65	66
" 57	65	66
" 58	65	66

More than this our records show exactly what size is in excess in each case; for instance, in case 56, six great coats of size 3 were received instead of five as per packing slip; in case 57, nine great coats of size 6 were received instead of eight as per packing slip; in case 58, twenty-nine great coats of size 4 were received instead of twenty-eight as per packing slip.

In a case like this, which is representative and is happening all the time, and several times a day, we can do one of three things—(1) we can return the surplus; the

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objection to this is that we want the great coats, and returning them simply means extra freight or express charges for some one to pay.

(2) We can keep the great coats and make no change in the invoice; and thus not pay for the clothing although we retain it. This I understand is Mr. Folkin's suggestion. The objection to this is that it is not very honest; and that it would offer a far greater temptation on the part of the Inspection staff than any other possible arrangement.

The goods are there, and there is no trace of them whatever, provided the inspector reports merely the quantity shown on the invoice. Hachborn has evidently no trace of them; the inspection reports by this hypothesis would ignore them, and of course the Ordnance Stores to whom ordinarily they would be delivered know nothing about them.

Mr. Folkin's suggestion would merely mean that the great coats, or any articles sent into the Inspection Room in excess of the invoiced quantities, would be a free gift to any inspector who was dishonest enough to take them.

(3) We can do as we are doing, namely, have the inspector report the actual quantities received, and pay the contractor for these quantities.

Immediately upon completion of the inspection these great coats are taken by a carter to the Ordnance Depot, and there counted twice by the men of the Ordnance Corps.

If the inspector did falsify the record, and report 332 coats when only 329 had been received he would be checked up at once by the Ordnance Corps men. These garments are counted at least by two different men in the Inspection Room and two in the Ordnance Stores. That the checking of the Ordnance Stores men is an actual one, we know by practical experience repeated many times.

Even assuming, which I trust is the case, that the entire Inspection Room is thoroughly honest and proof against any temptation, the objection to Mr. Folkin's suggestion, that we receive and retain, without notice to the contractor, all articles received in excess of the invoiced quantities, would result in a very short time in congestion. The space available there at any time is not great, and there seems to be no practical reason why the Inspection Room should be turned into a junk shop.

I have gone into this matter in detail so that you can see the difficulties of the case. While there may be objections to our practice, it seems to me it is less objectionable than any alternative.

Yours faithfully,

H. W. BROWN,
Director of Contracts.

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AUDITOR GENERAL'S OFFICE, December 4, 1914.

The Deputy Minister of
Militia and Defence,
Ottawa.

SIR,—Let me call your attention to the following vouchers paid by Cheques Nos. 1492 and 3346, charged to "War Appropriation" and paid at Headquarters:
Smart-Woods, Limited: Cheque 1492:—

25 only Hospital tents complete, \$125.. . . .	\$3,125 00
Less overcharge of \$5 on each tent.... .	125 00
	<hr/>
	\$3,000 00
Add 8 Hospital tents, not charged, at \$120.. . . .	960 00
	<hr/>
	\$3,960 00

Skedden Brush Company: Cheque 3346:—

170 only Body horse brushes at 75 cents each.. . . .	\$127 50
488 only Hard harness brushes at 31 cents each.. . . .	151 28
	<hr/>
	\$278 78
Add 158 Body horse brushes at 75 cents each.. . . .	118 50
	<hr/>
	\$397 28

As these additions were evidently made in your Department, I have to request that you supply me with any information on your files which will explain more fully the reason for the large additions to these accounts.

I am, sir, your obedient servant,

J. FRASER,
Auditor General.

DEPARTMENT OF MILITIA AND DEFENCE,

OTTAWA, December 8, 1914.

SIR,—I beg to acknowledge receipt of your letter of the 24th ultimo, taking exception to a certain payment made to the Auburn Woollen Company, when the amount of their invoice charged was increased by \$55.08 by the officials of this department before payment.

Upon inquiry, I find that it is the custom of the inspection staff, in all such cases to take the weights of blankets as invoiced; provided the actual weights on inspection are found to be, at least, as much as the invoiced weights. The instance complained of happens to be a very rare exception. In this case, the invoice either had not been received by the inspectors or had been mislaid. They were, therefore, obliged to inspect and report the lot of blankets without reference to the invoiced weights. The 1,600 blankets covered by the Auburn Woollen Company's invoices of the 19th August were inspected, half by Mr. Charles Burns, the Assistant Director of Contracts, and half by Mr. Charles Ferrill, one of the inspectors. Mr. Burns reported the receipt of 3,699 pounds, and Mr. Ferrill of 3,577½ pounds. These reports were sent to the department in the ordinary course; and the clerk whose duty it is to prepare such accounts for payment, followed the quantities given on the inspection report, instead of the invoiced quantities. This was in accordance with his instructions, because the report of the inspector is the voucher upon which all payments are

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made. As I have already explained, however, the case is quite an exceptional one and is not likely to recur, at least in the case of blankets.

Such a practice in the case of payments for blankets is open to at least one objection which does not apply to other goods generally; that the weight of the blanket fluctuates according to atmospheric conditions.

I find it has been the practice of the Contracts Branch to pay for quantities of goods as reported by the inspectors and not precisely as invoiced. This, of course, results in both additions to and deductions from the invoices. The practice appears more dangerous, I think, than it really is, since all such deliveries are at least double checked; and the connivance or collusion of officers of, at least, three different offices would be necessary, if fraud were the object.

The inspector's report showing quantities received is made in triplicate; one copy is kept in the inspection room, one copy is sent to the Principal Ordnance Officer, to whom the goods are sent from the inspection room, and the third copy is sent to the Director of Contracts. If the inspector reported quantities in excess of those actually received, the discrepancy would be immediately discovered and reported by the Stores Branch. Moreover, the Principal Ordnance Officer is obliged to furnish the Director of Contracts with a receipt for all such deliveries after the goods have been checked. The Stores Audit Branch, under the Accountant and Paymaster General of the Department, constitutes another safeguard, as all such papers are reviewed by him.

There is therefore not a double but a triple check, and that it is an actual practical check is proved by the amount of correspondence on the files upon just such matters.

In the past, it has been assumed that if the inspector's report is to be taken as conclusive evidence of the delivery of the goods, then additions to as well as deductions from the quantities invoiced should be made in accordance with the inspection reports. This practice certainly has the merit of expediting the work; it saves much time and correspondence, and with the safeguards which we have, cannot very well be abused.

I should add that all accounts for goods which are presented to the Director of Contracts for his certificate are invariably accompanied by the proper inspection report; so that Mr. Brown can and does assure himself that the bill is in accordance with the report.

Mr. Brown tells me that he has already explained this matter to your Mr. Folkins; and that Mr. Folkins has made some inquiry into and examination of the system as outlined above.

I am, sir,

Your obedient servant,

(Sgd) EUG. Fiset, Colonel.

Deputy Minister of Militia and Defence.

The Auditor General,
Ottawa.

APPENDIX No. 3

THE AUDITOR GENERAL'S OFFICE,

November 24, 1914.

The Deputy Minister of
Militia and Defence,
Ottawa.

SIR,—Let me call your attention to the following payment made to the Auburn Woollen Company, of Peterborough, Ont., charged to the War Appropriation and paid at Headquarters. The voucher contains the following:

Cheque 2241.

1,600 Saddle Blankets, $4\frac{1}{2}$ lbs., 7200 lbs. @ 72 cents.	\$5,184 00
16 @ \$1.25 cases	20 00
	<hr/> \$5,204 00
Less 16 cases (charges not allowed @ \$1.25 each)	20 00
	<hr/> \$5,184 00
Add $76\frac{1}{2}$ lbs. Saddle blankets not charged	
@ 72 cents per lb.	55 08
	<hr/> \$5,239 08
Bal.	

The reduction of \$20 for cases, and the addition of \$55.08 for overweight on blankets, were apparently made in the Department. The deduction was, I presume on account of certain conditions in the contract which did not provide for this charge. As to the increase of the claim, on account of 1,600 blankets running in weight over the $4\frac{1}{2}$ pounds, perhaps increased by dampness in transit or other causes, it does not appear reasonable. The claimant, apparently did not weigh these blankets, but was satisfied that they would average at least $4\frac{1}{2}$ pounds, and on this basis made out his claim.

The amount involved in this case is not large, but it seems to me the principle of allowing the original vouchers to be increased by an official of the Department, is not a good one. I find there are many other cases similar to this one.

I am, sir, your obedient servant,

J. FRASER.

Auditor General.

AUDITOR GENERAL'S OFFICE,

OTTAWA, February 2, 1915.

The Deputy Minister of
Militia and Defence,
Ottawa.

SIR,—I understand that the Units of the Permanent Force which went abroad took with them a certain number of horses, which were paid for out of the Permanent Force Vote. Please supply me with the number of remounts taken abroad by each unit of the Permanent Force, which were paid for out of this vote.

I am, sir, your obedient servant,

(Sgd.)

J. FRASER,

Auditor General.

5 GEORGE V., A. 1915

DEPARTMENT OF MILITIA AND DEFENCE,

OTTAWA, January 20, 1915.

The Auditor General of Canada,
Ottawa.

SIR,—With reference to your letter of the 11th instant, in which you invite attention to your letter of November 25 last, requesting information as to the number and kind of wagons, carts, motor lorries, motor cars, motorcycles and bicycles placed on board transports with the first contingent, I have the honour to forward, herewith, a statement from the Director of Supplies and Transport giving the desired information.

I have the honour to be, sir,

Your obedient servant,

(Sgd.)

EUG. FISET, *Surgeon-General,*

Deputy Minister.

MEMORANDUM.

DEPARTMENT OF MILITIA AND DEFENCE,

OTTAWA, January 18, 1915.

To Assistant Deputy Minister,
Militia Department.

Vehicles—First Overseas Contingent.

With reference to attached letter from the Auditor General. According to the Bill of Lading as furnished by the Embarkation Staff, at Quebec, the following vehicles were placed on the several ships:—

		No.
"Andania"	Wagons, Bain, G. S.	11
	Carts, Water	2
"Athenia"	Wagons, Bain, G. S.	3
	Carts, Water	2
	Trucks, Motor	2
	Wagons, Ammunition	24
"Alaunia"	Wagons, Bain, G. S.	24
	Carts, Water	4
	Bicycles	14
"Arcadian"	Wagons, Bain, G. S.	4
"Bermudian"	"	26
	Carts, Water	2
"Cassandra"	Wagons, Bain, G. S.	53
	Carts, Water	5
	Wagons, Ambulance	1
	Carts, Medical	1
"Corinthian"	Wagons, Bain, G. S.	14
	Trucks, Motor	20
	Bicycles	20
"Franconia"	Motorcycles	64
"Grampian"	Wagons, Bain, G. S.	153
	Trucks, Motor	14
	Touring, Cars	2
"Lapland"	Wagons, Bain, G. S.	7
"Laurentic"	"	19
"Lakonia"	"	14
	Carts, Water	3
	Trucks, Motor	12
"Manitou"	Wagons, Bain, G. S.	12
	Trucks, Motor	12
"Megantic"	Wagons, Bain, G. S.	33
	Carts, Water	5
	Trucks, Motor	4
"Montezuma"	Wagons, Bain, G. S.	98
	Carts, Water	1

APPENDIX No. 3

	No.
"Royal Edward"	Wagons, Bain, G. S. 13
	Carts, Water 2
"Ruthenia"	Wagons, Bain, G. S. 8
	Carts, Water 2
	Trucks, Motor 7
	Wagons, Ambulance 1
	Carts, Telephone 1
"Scotian"	Wagons, Bain, G. S. 14
	Carts, Water 2
	Wagons, Ambulance 20
"Sicilian"	Wagons, Bain, G. S. 2
"Scandinavian"	" 9
	Wagons, Ammunition 12
"Saxonia"	Wagons, Bain, G. S. 29
	Carts, Water 4
	Wagons, Ammunition 54
"Zealand"	Wagons, Bain, G. S. 27
	Carts, Water 2
	Carts, Telephone 5
	Wagons, Ammunition 57
"Manhattan"	Wagons, Bain, G. S. 100
	Carts, Water 19
	Trucks, Motor 90
	Wagons, Ambulance 27
	Wagons, Pontoon, Engineers 4
	Carts, Tool 8

J. L. B., Colonel,
Director of Supplies and Transport.

AUDITOR GENERAL'S OFFICE,

OTTAWA, January 11, 1915.

E. F. JARVIS, Esq.,
 Acting Deputy Minister of Militia and Defence,
 Ottawa.

SIR,—I beg to acknowledge receipt of your letter of the 7th instant, H.Q., 688-1-32, which gives the number of remounts taken on board the transports at Quebec, with the first contingent.

In my letter of the 25th November, requesting this information, I also asked to be supplied with the number and kind of wagons, carts, motor, lorries, motor cars, motorcycles and bicycles placed on board the transports with this contingent. Please let me have this information at your earliest convenience.

I am, sir, your obedient servant,

J. FRASER,
Auditor General.

5 GEORGE V., A. 1915

DEPARTMENT OF MILITIA AND DEFENCE,

OTTAWA, January 7, 1915.

The Auditor General of Canada,
Ottawa, Ont.

SIR,—In reply to your letter of 22nd December regarding the number of remounts taken on board the transports at Quebec with the first contingent, I beg to advise that they were as follows:—

SS. <i>Athenia</i>	331
<i>Alaunia</i>	19
<i>Corinthian</i>	298
<i>Grampian</i>	632
<i>Invernie</i>	628
<i>Lakonia</i>	612
<i>Montreal</i>	815
<i>Manitou</i>	635
<i>Monmouth</i>	646
<i>Montezuma</i>	976
<i>Sicilian</i>	421
<i>Saxonia</i>	633
<i>Royal George</i>	11
<i>Manhattan</i>	853
Total.....	7,620

I have the honour to be, sir,

Your obedient servant,

(Sgd.) E. F. JARVIS,
Acting D.M.M. & D.

AUDITOR GENERAL'S OFFICE,

OTTAWA, December 23, 1914.

The Deputy Minister of Militia and Defence,
Ottawa.

SIR,—I have to acknowledge receipt of your letter of 21st instant with cheques for purchase of remounts.

I notice that most of these cheques are for large amounts paid, apparently to persons who were not the real vendors. I shall require the forms on which were entered the owner's name, description of horse, price paid, etc. There are a few cases in which these are attached to the cheques.

Please let me have the rest of these forms as soon as possible

I am, sir, your obedient servant,

J. FRASER,
Auditor General.

AUDITOR GENERAL'S OFFICE,

OTTAWA, December 22, 1914.

The Deputy Minister of Militia and Defence,
Ottawa.

SIR,—I beg to acknowledge receipt of your letter of the 19th instant, with enclosed statement showing the amount expended in the purchase of remounts for the first overseas contingent.

APPENDIX No. 3

In this connection let me call your attention to my letter of the 25th November, in which I asked for the number of remounts taken on board the transports at Quebec, for first contingent. Please let me have this information at your earliest convenience.

I am, sir, your obedient servant,

J. FRASER,
Auditor General.

AUDITOR GENERAL'S OFFICE,
OTTAWA, November 25, 1914.

The Deputy Minister of
Militia and Defence,
Ottawa.

SIR,—Please supply this office with the number of wagons, carts, motor lorries, motor cars, etc., placed on board the Transports with the First Overseas Contingent. If possible, I should like you to designate under each head the kind of wagons or cars, etc., so shipped.

I have also to request that the number of horses placed on board these transports be supplied.

I am, sir, your obedient servant,

J. FRASER,
Auditor General.

AUDITOR GENERAL'S OFFICE, January 12, 1915.

The Deputy Minister of
Militia and Defence,
Ottawa.

SIR,—Let me call your attention to Cheque No. 4241, charged to "War Appropriation," and paid at headquarters.

This payment of \$1,100 is for space in a number of supplements of *The Standard*, Montreal. The account does not state the nature of the service rendered, and there is no specimen of the work, but it would seem to be in the nature of an advertisement and should have been submitted to the King's Printer for his certificate. But as this has not been done, an Order in Council should be obtained authorizing this payment.

I am, sir, your obedient servant,

J. FRASER,
Auditor General.

AUDITOR GENERAL'S OFFICE, January 11, 1915.

The Deputy Minister of
Militia and Defence,
Ottawa.

SIR,—Let me call your attention to Cheque No. 4279 for \$8,605, and No. 4558 for \$54,754.25, charged to "War Appropriation," and paid at Headquarters. Both these cheques are for payments to the White-Star Dominion Line, for transportation of troops, etc. The former is for transportation of Veterinary Corps, by the Steamship *Megantic*, and the latter is for the transportation of the Princess Patricia's Light Infantry, on the Steamship *Megantic*, from Montreal to a port in England.

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As these claims are not to be adjusted by the British Admiralty in London, as in the case of the other Steamship claims, and as the accounts for the transportation of the Princess Patricia's is somewhat out of the ordinary on account of the Regiment disembarking at Quebec, instead of a port in England, I have to request that you obtain the authority of the Governor in Council for these payments.

I am, sir, your obedient servant,

J. FRASER,

Auditor General.

DEPARTMENT OF MILITIA AND DEFENCE,

OTTAWA, December 16, 1914.

The Auditor General of Canada,
Ottawa, Ont.

SIR,—In reply to your letter of the 10th inst., regarding payment to Colts Patent Fire Arms Co., your attention is directed to Order in Council (P.C. 2787) of November 6, 1914, for authority for purchase of spare parts for these Auto Rapid Firing Guns.

I have the honour to be, sir,

Your obedient servant,

(Sgd.)

EUG. Fiset, Colonel.

Deputy Minister Militia and Defence.

AUDITOR GENERAL'S OFFICE, December 10, 1914.

The Deputy Minister of
Militia and Defence,
Ottawa.

SIR,—I am in receipt of your application for a Bill of Exchange of \$26,944.45, in favour of the Colts Patent Fire Arms Manufacturing Co., of Hartford, Conn.

The Order in Council authorizing the purchase of these guns provides for extra barrels, extra feed belts and loading machines, but makes no provision for extra equipment supplied, amounting to \$2,689.45, for which payment is asked. I presume authority will be sought to cover the purchase of this extra equipment. In the meantime I am passing your application.

I am, sir, your obedient servant,

(Sgd.)

J. FRASER,

Auditor General.

AUDITOR GENERAL'S OFFICE, January 13, 1915.

The Deputy Minister of
Militia and Defence,
Ottawa.

SIR,—I am in receipt of voucher No. 4276 for \$1,255.25, charged to "War Appropriation," which is in payment of Mr. L. Deschene's account, being a commission of 5 per cent on total proceeds of sale of military horses at Quebec, October 22 to 26, 1914.

APPENDIX No. 3

This account has not been certified as to commission paid being "fair and just," and as there apparently has not been an agreement or contract entered into for the performance of this service, I have to request that an Order in Council be obtained authorizing payment.

I am, sir, your obedient servant,

(Sgd.) J. FRASER,
Auditor General.

DEPARTMENT OF MILITIA AND DEFENCE,
OTTAWA, December 8, 1914.

The Auditor General of Canada,
Ottawa, Ont.

SIR,—In reply to your letter of the 25th inst., the amount credited to Miscellaneous, Militia Revenue in the Departmental Statement of Deposits No. 28, \$25,105, was so credited in error.

I am, sir, your obedient servant,

EUG. FISET, Colonel,
Deputy Minister of Militia and Defence.

AUDITOR GENERAL'S OFFICE, December 5, 1914.

The Deputy Minister of Militia and Defence,
Ottawa.

SIR,—The account for the sale of 466 horses at Valcartier Camp, October 22 to 26, last, amounting to \$25,105 has just been received, and it is found that this amount has been credited in your statement of deposits No. 28 to Miscellaneous Militia Revenue.

It is presumed that when the department purchased these horses the payments were charged to the "War Appropriation." If such is the case an application should be made to this office to have the amount transferred to the credit of that appropriation.

I am, sir, your obedient servant,

J. FRASER,
Auditor General.

AUDITOR GENERAL'S OFFICE, January 25, 1915.

The Deputy Minister of Militia and Defence,
Ottawa.

SIR,—Let me remind you that I have not received the accounts in support of the expenditure at Valcartier, amounting to over two million dollars. As it is now nearly six months since the greater part of this expenditure was made, and as it is very important that the audit of these accounts should proceed as rapidly as possible, I have to request that vouchers and paylists be forwarded this office without further delay.

J. FRASER,
Auditor General.

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DEPARTMENT OF MILITIA AND DEFENCE,
OTTAWA, December 14, 1914.

The Auditor General of Canada,
Ottawa, Ont.

SIR,—I am in receipt of yours of the 11th inst., asking for vouchers in connection with Separation Allowance, Assigned Pay, Pay and Subsistence, and Purchase of Remounts. These will all be forwarded to you at an early date with the exception of Pay and Subsistence which we will be unable to obtain for some time yet as most of these vouchers are in England and some little time may elapse before the Overseas Paymaster will have them in order.

I note what you say regarding purchases, contracts and certificates and am to say that these will have my early attention.

I have the honour to be, sir,
Your obedient servant,

(Sgd) EUG. FISET, Colonel.
Deputy Minister, Militia and Defence.

(COPY.)

December 11, 1914.

The Deputy Minister of Militia and Defence,
Ottawa.

SIR,—During the months of August, September and October large advances, amounting to nearly \$4,000,000, have been made out of War Appropriation for which no accounting has been made to this office. They are as follows:—

Separation allowances.	\$ 180,000 00
Assigned pay.	200,000 00
Pay and subsistence.	2,173,500 00
Purchase of remounts.	1,363,000 00
Total.	<u>\$3,916,500 00</u>

It is very important that the audit of these accounts should proceed as rapidly as possible and I have to request that the vouchers and paylists should be sent me without any further delay.

In connection with the purchase of other supplies I have received some of the vouchers but the contracts have not been sent me although I have frequently asked for them. All orders or contracts up to December 1 must be sent me at once and also copies of the tenders where such have been called for.

From the vouchers already received it would appear that large purchases have been made for which the authority of the Governor in Council has not been obtained. This is a direct violation of the War Appropriation Act and must be remedied at once. Many large purchases have been made from small retail firms and the prices paid appear to be excessive although the vouchers bear the certificate that the prices are fair and reasonable.

A very objectionable practice appears to prevail of adding to the accounts which have been received from the dealers. No larger amount than that claimed can be allowed. If the account is not correct it should be returned for correction. I observe that in a number of cases where the dealer has made a discount of 20 per cent you appear to have reduced this to 10 per cent. In all such cases I shall require a satisfactory explanation.

APPENDIX No. 3

In some cases the quantities charged in the accounts have been added to. This is also irregular, as I imagine the dealers check their shipments and should know the quantities for which they are entitled to payment. All these matters require immediate attention or I shall be obliged to reject the vouchers.

I understand that where purchases are made in the United States for shipment abroad no duties are collected. The accounts must state where such is the case.

I have to request that these matters should receive your immediate attention.

I am, sir, your obedient servant,

J. FRASER.

Auditor General.

AUDITOR GENERAL'S OFFICE, January 12, 1915.

E. F. JARVIS, Esq.,

Acting Deputy Minister of Militia and Defence,
Ottawa.

SIR,—I am in receipt of your letter of the 6th instant, H.Q. 202-13-4, regarding warrants for transports supplied in connection with the "War Appropriation."

In your reply you have supplied the information requested in the case of Miss Ruby Harvey, and Colonel and Miss Smith, but in the balance of the cases you have merely noted that they were all on official business in connection with the mobilization of troops, and were duly authorized by the Honourable Minister. In all other cases the warrants state under "B" the nature of the service, for instance, warrant No. 20358, is for transport of seven men from Valcartier to Ottawa, and the service is given as "return of men with remounts." I think that the nature of the service should be supplied in each case.

Please let me have this information for the balance of the cases mentioned in the memorandum sent you on the 23rd December.

I am, sir, your obedient servant,

(Sgd.)

J. FRASER,

Auditor General

DEPARTMENT OF MILITIA AND DEFENCE,

OTTAWA, January 6, 1915

The Auditor General,
Ottawa.

SIR,—Replying to your communication of the 23rd ultimo, enclosing memorandum of transportation supplied in connection with War Appropriation expenditure I am to say in reference to the case of Miss Ruby Harvey that this lady is attached as a nurse in the Army Medical Corps; Colonel and Miss Smith—this passage was supplied to the Judge Advocate General and his secretary on official business with the British Admiralty.

The balance of the cases noted by you were all on official business in connection with the mobilization of troops and were duly authorized by the Honourable the Minister.

I have the honour to be, sir,

Your obedient servant,

(Sgd.)

E. F. JARVIS,

Acting D.M., M. & D.

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AUDITOR GENERAL'S OFFICE, Decembr 23, 1914.

The Deputy Minister of
Militia and Defence,
Ottawa.

SIR,—Let me call your attention to some of the transport warrants and vouchers for transportation, issued by your Department, charged to "War Appropriation," and paid at headquarters.

The vouchers on the attached statement for steamer travel do not indicate the nature of the service, which, it seems to me, should be stated in each case, and the warrants do not show under Clause B, the service, but in most cases say "Minister's account."

Please let me have this information at your earliest convenience.

I am, sir, your obedient servant,

(Sgd.) J. FRASER,
Auditor General.

TRANSPORTATION VOUCHERS AND WARRANTS.

- No. 3216. Miss Ruby Harvey, October 14, New York to Liverpool.
 2867. Col. Smith and Miss Smith, September 20, New York to London.
 3093. W. A. Ross, October 8, Montreal to Liverpool.
 3092. Capt. J. N. Grant, October 8, Montreal to Liverpool.
 3080. Major Hughes and Major Dickson, October 3, to London.
 3576. Lt.-Col. Geo. P. Murphy, October 28, New York to Liverpool.
 3358. Col. McBain, October 21, New York to Glasgow.
 2998. Capt. Dowling, September 23, Halifax to London.
 20265. Mrs. G. T. Wurtelle, September 5, Ottawa to Valcartier and return.
 20262. Mrs. Monk and daughter, September 5, Ottawa to Valcartier and return.
 20267. J. A. Williamson, Dr. McCulloch, J. A. Glass, September 8, Ottawa to Valcartier and return.
 20269. F. D. Moore, September 9, Ottawa to Valcartier and return.
 20340. Henry T. Bate, September 7, Ottawa to Valcartier.
 20372. M. Williams, September 9, Ottawa to Valcartier and return.
 20373. John Carue, September 9, Ottawa to Valcartier and return.
 20374. J. H. Brandon, September 9, Ottawa to Valcartier and return.
 20375. Wm. McArthur, September 9, Ottawa to Valcartier and return.
 20384. J. McAlpine, September 9, Ottawa to Valcartier and return.
 20395. Rodolphe F. Girard, September 11, Ottawa to Valcartier and return.
 20397. Capt. W. S. Wood, September 12, Ottawa to Valcartier and return.
 20398. Capt. W. S. Wood, September 12, Ottawa to Valcartier and return.
 20454. Wm. F. Sharpe, September 12, Ottawa to Valcartier and return.
 20435. Capt. W. S. Wood, September 12, Ottawa to Valcartier and return.

APPENDIX No. 3

CORRESPONDENCE BETWEEN AUDITOR GENERAL AND DEPARTMENTS
OF FINANCE AND MILITIA OF LATER DATE THAN RETURN 122.

AUDITOR GENERAL'S OFFICE,
OTTAWA, February 25, 1915.

SIR,—The following advances were made by the Department of Militia and Defence to the Camp Paymaster at Valcartier:—

1914	August.. . . .	\$ 170,000 00
	September.. . . .	1,550,000 00
	October.. . . .	380,000 00
	November.. . . .	10,000 00
1915	January.. . . .	120,000 00
Total.. . . .		<hr/> \$2,230,000 00

I have asked the Department, repeatedly, to send me the vouchers and accounts for this expenditure but have been unable to obtain either vouchers or any accounting whatever. This condition of affairs is alarming and I have to request that immediate steps be taken to compel an accounting for this immense sum of money. In the meantime, I must take the responsibility of refusing any further credits to the Militia Department and unless a satisfactory reply is received I shall have to ask the Bank of Montreal to cancel the existing credit.

I am, sir,
Your obedient servant,

J. FRASER,
Auditor General.

Hon. W. T. WHITE,
Minister of Finance,
Ottawa.

DEPARTMENT OF FINANCE,
OTTAWA, February 25, 1915.

J. FRASER, Esq.,
Auditor General,
Ottawa.

SIR,—I have yours of the 25th instant relating to advances made by the Department of Militia and Defence to the Camp Paymaster at Valcartier during the past half-year. Your communication will at once be drawn to the attention of the Government and the Minister of Militia.

Yours truly,
W. T. WHITE,

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DEPARTMENT OF FINANCE,

OTTAWA, March 1, 1915.

J. FRASER, Esq.,
Auditor General,
Ottawa.

SIR,—Replying to your letter of the 25th ultimo with reference to advances made by the Department of Militia and Defence to the Camp Paymaster at Valcartier aggregating \$2,230,000, I have spoken to the Minister of Militia who states that the vouchers for which you are asking could not possibly be prepared before the contingent left for England and have only now come to hand. The Paymaster General states that he was only advised of their arrival in bond on Thursday last. He says further that the expenditure was largely for pay of troops, and that Major Shanly, Camp Paymaster at Valcartier, was unable to get the pay-sheets of the 5,5000 troops there assembled in proper order and the full statement completed before embarkation and, in consequence, all vouchers, etc., were taken with him to Salisbury. He emphasizes the difficulties with which the Camp Paymaster had to contend on account of the sudden assembling of the force and the confusion necessarily resulting.

Yours truly,

W. T. WHITE,

FINANCE DEPARTMENT, March 9, 1915.

J. FRASER, Esq., I.S.O.,
Auditor General,
Ottawa.

Dear Mr. FRASER,—I have an application from the Department of Militia and Defence for a Bill of Exchange on New York in favour of the Topley Company for \$65,000.

Will you kindly let me have a note of the circumstances under which New York funds are required for payment to an Ottawa firm?

Yours very truly,

T. C. BOVILLE,
Deputy Minister of Finance.

AUDITOR GENERAL'S OFFICE, March 9, 1915.

Dear Mr. BOVILLE,—In reply to your letter of to-day asking to be informed of the circumstances under which New York funds are required for payment to an Ottawa firm, I beg to say that the Topley Company of Ottawa are supplying a large quantity of binoculars, etc., to the Militia Department. These goods are obtained from a manufacturing firm in Rochester, and I understand that the arrangement between the Topley Company and the Militia is that the payment is to be made in New York funds. Mr. Topley says that such is the case, and the Department confirms this by asking that the payment be made in this way.

I understand also that this arrangement is verbal.

Yours truly,

J. FRASER,
Auditor General.

T. C. BOVILLE, Esq., C.M.G.,
Deputy Minister of Finance,
Ottawa.

APPENDIX No. 3

DEPARTMENT OF MILITIA AND DEFENCE,

OTTAWA, February 19, 1915.

SIR,—I am directed by the Deputy Minister to send you the inclosed copy of a letter lately received from Mr. T. A. Brownlee, which accompanied a refund of \$531 on clinical thermometers ordered from him as follows:—

August 11, 1914	702
September 25, 1914	360
Total	1,062

These were paid for by the Department at the rate of \$12 per dozen. Mr. Brownlee's refund reduces this price to \$6 per dozen.

A deposit of \$531 will be made to the credit of the Receiver General to-day.

I have the honour to be, sir,

Your obedient servant,

H. W. BROWN.

Director of Contracts.

For Deputy Minister of Militia and Defence.

The Auditor General, Ottawa.

DEPARTMENT OF MILITIA AND DEFENCE,

OTTAWA, February 11, 1915.

DEAR SIR,—On looking over recent accounts sent your department, I find that clinical thermometers were billed at one dollar each, which was practically the retail price.

My intention was to give your department whatever advantage purchasing in large quantities entitled them to receive and in reference to all other articles this appears to have been done.

In order to correct the book-keepers error in regard to thermometers, I enclose my cheque herewith for \$531, being a refund at the rate of \$6 per dozen.

Yours truly,

T. A. BROWNLEE.

H. W. BROWN, Esq.,
Director of Contracts,
Militia Department,
City.

AUDITOR GENERAL'S OFFICE, February 20, 1915.

SIR,—I have to acknowledge receipt of your letter of 19th instant enclosing a copy of a letter from Mr. T. A. Brownlee in which he admits that the price which he charged you for clinical thermometers, viz: \$12 per dozen was too high and therefore articles this appears to have been done."

He also states that "his intention was to give your department whatever advantage purchasing in large quantities entitled you to receive, and in reference to all other articles this appears to have been done.

In order to remove any doubt which may exist as to the correctness of this statement, I have to request that Mr. Brownlee send, for examination, the original invoices

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for the purchase of these other articles from the wholesale dealers to enable me to check the prices and thus obviate the necessity for this office making an examination under section 71 of the Consolidated Revenue and Audit Act.

I am, sir,

Your obedient servant,

J. FRASER,

Auditor General.

H. W. BROWN, Esq.,

Director of Contracts,

Dept. of Militia and Defence,

Ottawa.

AUDITOR GENERAL'S OFFICE,

Ottawa, March 6, 1915.

SIR,—I notice in the December accounts charged to War Appropriation and paid at Headquarters by Cheque No. 5829, a payment of \$9,011.52 to P. W. Ellis & Co., of Toronto, being the commission of 10 per cent on the purchase of binoculars. I find that out of a total of \$90,115.16, over 60,000 dollars worth was purchased in Ottawa, and delivered at the Inspection Rooms, Queen street, and of this, \$35,039.36 was purchased from one firm, the Topley Co. As this firm has sold a large quantity of binoculars direct to the Government and, according to your letter of the 25th January, they have filled an order for 10,000 binoculars for the British War Office, the payment of a commission would not appear necessary. In any event the commission of 10 per cent paid on purchases in Ottawa, amounting to \$60,955.46, would appear unreasonable. I have to request that a copy of the contract or agreement entered into with the P. W. Ellis Co., be sent this office.

Let me also call your attention to the following sub-vouchers attached to the Ellis accounts:

Cheque No. 2801, Thos. C. Johnson & Son, Halifax, N.S.

1-7 power Prism Binocular. \$ 30 00

"Eaton's price for above glass, \$9.45."

"W. G. H."

Cheque No. 3338, Henry Birks & Sons, Winnipeg. \$531 75

(Sold at wholesale prices and added 10 per cent for handling.)

The Deputy Minister of Militia and Defence,

Ottawa.

Cheques Nos. 3341 and 3639, Niagara Optical Co., Buffalo. \$2,619 76

(Buying commission of 6 per cent charged.)

If the statement made by "W. G. H." is correct, there should be a refund on this account. In connection with the last two items, in paying the 10 per cent charged by the Ellis Co., there would apparently be a charge of 16 per cent in one case and 20 per cent in the other for handling these goods.

I am, sir,

Your obedient servant,

J. FRASER,

Auditor General.

APPENDIX No. 3

AUDITOR GENERAL'S OFFICE,

OTTAWA, March 12, 1915.

SIR,—In the examination of the vouchers supplied this office on account of War Appropriation, I find that large advances have been made to certain persons, who in turn deposit the amounts in a bank, and issue cheques to pay the accounts which are submitted to this office.

Please inform me what regulations have been made by you with regard to these bank accounts, and whether the banks in question account directly to your department and return the cheques to you, or do they account and forward the cheques to the persons to whom the advances were made. It will be necessary that all accounts of this kind be forwarded to this office for examination.

I have the honour to be, sir,

Your obedient servant,

J. FRASER,

Auditor General.

The Deputy Minister of
Militia and Defence,
Ottawa.

AUDITOR GENERAL'S OFFICE,

OTTAWA, March 12, 1915.

SIR,—I beg to call your attention to the following payments made by the Paymaster at Valcartier for jams supplied to the camp during August and September, 1914.

Cheque 1336, A. F. MacLaren & Son, Toronto	\$2,072 73
" 1375, T. Upton Co., St. Catharines	1,600 22
" 1391, Dominion Cannery, Hamilton	3,966 60
" 1394, E. D. Smith & Son, Winona	3,665 84
" 1453, Wagstaffe, Limited, Hamilton	3,746 48

Upon examination of the vouchers, I find that the prices paid range as follows:—

Raspberry, 5-lb. pkg. lowest	47½ cents	.... highest	69 cents.
Strawberry, 5-lb. pkg. "	55 cents	.... "	74 cents.
Black Currant, 5-lb. pkg. "	47½ cents	.... "	69 cents.
Gooseberry, 5-lb. pkg. "	45 cents	.... "	60 cents.
Orange Marmalade, 5-lb. pkg. "	44 cents	.... "	55 cents.

The highest price paid in every case was to A. F. MacLaren & Son, who are not manufacturers of this class of goods, but who supplied goods manufactured by Glassco Co., Ltd., of Hamilton. The goods manufactured by the Glassco Co., I am well informed, range in price about equal to the other four firms, who are manufacturers, and whose prices are very much below the prices charged by the MacLaren Co.

Please inform me why when the goods of Glassco, Ltd., were being supplied, the order was not given direct to the manufacturers, and why the orders were not all given to the firm who quoted the lowest prices.

I have the honour to be, sir,

Your obedient servant,

J. FRASER,

Auditor General.

The Deputy Minister of
Militia and Defence,
Ottawa.

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AUDITOR GENERAL'S OFFICE,
OTTAWA, March 12, 1915.

SIR,—I beg to draw your attention to the following payments for Scavenger Service made to Wm. Jones, care of Harris Abattoir Company, Champlain Market, Quebec, by the Paymaster at Valcartier from advances made by your Department on account of War Appropriation:—

Cheque No. 475, cleaning between August 17 and 31, 1914, 23,540 tins as per contract at 15 cents.	\$ 3,535 50
Cheque No. 740, cleaning between September 1 and 15, 1914, 97,680 tins at 15 cents.	14,652 00
Cheque No. 1372, cleaning between September 16 and October 7, 1914, 102,544 tins at 15 cents	15,381 60

As there appears to be a contract for these services, I would be pleased to be supplied with a copy of the same.

I have the honour to be, sir,
Your obedient servant,

J. FRASER,
Auditor General.

The Deputy Minister of
Militia and Defence,
Ottawa.

DEPARTMENT OF MILITIA AND DEFENCE,
OTTAWA, March 18, 1915.

The Auditor General of Canada,
Ottawa, Ont.

SIR,—In reply to your letter of March 12, regarding payments made to William Jones for scavenging at Valcartier Camp, I beg to enclose herewith copy of contract.

I have the honour to be, sir,
Your obedient servant,

EUG. Fiset,
Surgeon-General,
D. M. M. & D.

OFFICE OF THE AUDITOR GENERAL.

Extract from tender of Wm. Jones.

"To empty buckets at Valcartier Camp for the sum of fifteen cents per bucket per day."

APPENDIX No. 3

AUDITOR GENERAL'S OFFICE,

OTTAWA, March 12, 1915.

SIR,—In the expenditure under the Fifth Divisional Area, chargeable to War Appropriation, I find the following payment to Messrs. Bate, McMahon & Company, for "Construction Works and General Engineer Services, including Rifle Range, Valcartier Camp."

August 28, 1914, cheque 1929, 1st Progress Payment. . .	\$25,000
September 10, 1914, cheque 2150, 2nd Progress Payment..	\$35,000
September 22, 1914, cheque 2368, 3rd Progress Payment..	\$50,000
October 7, 1914, cheque 2598, 4th Progress Payment. . .	\$15,000
October 26, 1914, cheque 2947, 5th Progress Payment. . .	\$14,000

Please inform me as to the nature of the work for which these payments were made, and whether the works were done under contract, and if so please supply this office with a copy of the same.

I have the honour to be, sir,
Your obedient servant,

J. FRASER,
Auditor General.

The Deputy Minister of
Militia and Defence,
Ottawa.

DEPARTMENT OF MILITIA AND DEFENCE,

OTTAWA, March 18, 1915.

The Auditor General of Canada,
Ottawa, Ont.

SIR,—I have the honour to acknowledge receipt of yours of the 12th inst. respecting certain payments to Messrs. Bate & McMahon for the construction of the 1,500-target Rifle Range at Valcartier Camp.

As requested I enclose copy of the contract with this firm and also a memorandum from the Director General of Engineer Services respecting the nature of the work performed.

I have the honour to be, sir,
Your obedient servant,

EUG. FISET,
Surgeon General,
D. M. M. & D.

A. & P. M. G.,
Militia and Defence.

*Construction Works and Engineering Services, including Rifle Range,
Valcartier Camp, 1914.*

The original engagement of Messrs. Bate & McMahon & Co. was for the construction of the 1,500-target Rifle Range at Valcartier Camp, on the basis of actual cost, plus 14 per cent.

Just prior to the completion of the Rifle Range construction, immediate verbal orders were received on the ground from the honourable the Minister, to continue the

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employment of this firm of contractors for the purpose of immediately completing drainage and water systems, clearing ground, road construction, assisting in construction of sidings and platforms, and general engineer services incidental to a large camp such as this. A fence was also constructed around the Ross Rifle Factory, and Danger Buildings at the Dominion Arsenal, Quebec.

It was impossible to adequately estimate the cost of the various works, as in such circumstances as those governing such a large and immediate mobilization, no one could even approximately determine what works were likely to be carried out. Consequently the works were carried out as an extension of the contract for the Rifle Range, and on the same terms.

Receipted vouchers and pay-lists have been obtained from the contractors and will be surrendered to you in a very few days now, as there were some items, prices, credits, etc., which have been under discussion between this Branch and the contractors, and which are now practically adjusted to the satisfaction of this Branch.

A final cull of all these vouchers is now being undertaken, with a view to handing them over in the best possible shape. A very few days will see this final check completed.

L. S. MAUNSELL.

Lieut.-Col. R. C. E.,

D. G. E. S.

OFFICE OF THE AUDITOR GENERAL.

Extract of agreement made with Bate, McMahon & Co.

"Complete all work in connection with the construction of a Rifle Range at Valcartier Military Camp including all necessary labour and materials which are required for the proper carrying out and completion of such work as may be required by plans and instructions issued from time to time during the progress of the work."

"The amount to be paid the contractor for the construction and carrying out of such works to be actual cost of work plus 14 per cent."

DEPARTMENT OF MILITIA AND DEFENCE,

The Auditor General of Canada,
Ottawa, Ont.

OTTAWA, March 13, 1915.

SIR,—In reply to your letter of February 2, asking for the number of remounts taken abroad by each unit of the Permanent Force, which were paid for out of the Permanent Force Vote, I am to advise that they were as follows:—

R.C.H.A., Kingston.....	442 horses.
C.P.A.S.C., Kingston.....	1 "
L.S.H. (R.C.), Winnipeg.....	79 "
No. 3 (H) Batt. R.C.A., Quebec.....	17 "
"A" R.C.D., St. Jean.....	65 "
"B" R.C.D., Toronto.....	61 "
Total.....	665 "

I have the honour to be, sir,
Your obedient servant,

EUG. FISET,

Surgeon-General,

D. M. M. & D.

APPENDIX No. 3

AUDITOR GENERAL'S OFFICE,

March 19, 1915.

SIR,—Let me call your attention to the following letters written by me to your Department since December last, which have not been answered. Please let me have replies to these at your earliest convenience.

December 18.—Asking information *re* price of military bugles and trumpets.

January 12.—Information *re* warrants issued for transport of officers and others to Valcartier.

January 13.—Requesting Order in Council authorizing payment of Mr. Dechesne's account, being a commission on sale of military horses.

February 2.—Last part of letter which requested copy of the contract or agreement entered into with P. W. Ellis & Co., *re* commission of \$9,011.52.

March 6.—Commission paid to P. W. Ellis & Co. of Toronto, etc.

I am, sir,

Your obedient servant,

J. FRASER,

Auditor General.

The Deputy Minister of
Militia and Defence,
Ottawa.

DEPARTMENT OF MILITIA AND DEFENCE.

OTTAWA, March 22, 1915.

SIR,—Your letter of the 12th instant to General Fiset, relating to the contracts for the supply of jams to Valcartier Camp, has been passed to me for reply.

In answer to your inquiry "why, when the goods of Glassco, Limited, were being supplied, the order was not given direct to the manufacturers," I beg to say that Glassco, Limited, did not directly apply for this business, nor were they known in this department as manufacturers of jams. On the other hand, A. F. MacLaren & Son, applied in person (both father and son) for an opportunity to tender; and gave assurances, both verbal and written, that they were manufacturers. They applied personally to the Minister of Militia, who sent them to me; they were, moreover, recommended by Sir George Foster, as canners.

Tenders for jam were originally received from Wagstaffe, Limited, and Dominion Canners, Limited, both of Hamilton; the T. Upton Company, of St. Catharines; E. D. Smith & Son, of Winona; and A. F. MacLaren & Son, of Toronto. By instructions of the Minister, the contracts were made with each of these five tenderers, at their tender prices.

I have the honour to be, sir,

Your obedient servant,

H. W. BROWN,

Director of Contracts.

The Auditor General,
Ottawa.

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DEPARTMENT OF MILITIA AND DEFENCE.

OTTAWA, August 26, 1914.

GENTLEMEN,—Please supply—

600 binoculars, field glasses,
 144 compasses, prismatic, with case,
 100 telescopes, signalling, with stand,

at the best prices obtainable and have same shipped to the Militia Inspection Room, 203 Queen street, Ottawa. These goods to approximate in style, quality, etc., as near as may be under the circumstances to the departmental patterns which your Mr. Mason has seen.

Goods to be charged direct to the Militia Department, and to be subject to the usual inspection. Invoice to be made out in triplicate to the department, and certified by you; bill should be paid within thirty days of receipt of the goods, provided the invoices are promptly sent in.

I am instructed by the Minister to say that you will be paid 10 per cent commission for this work. Please make every effort to procure the goods as quickly as possible.

Yours faithfully,

H. W. BROWN.

D. of C.

Messrs. P. W. ELLIS & Co., LTD.,
 Toronto, Ont.

AUDITOR GENERAL'S OFFICE,

March 19, 1915.

SIR,—Let me call your attention to the following letters written by me to your Department since December last, which have not been answered. Please let me have replies to these at your earliest convenience.

December 18.—Asking information *re* price of military bugles and trumpets.

January 12.—Information *re* warrants issued for transport of officers and others to Valcartier.

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February 2.—Last part of letter which requested copy of the contract or agreement entered into with P. W. Ellis & Co., *re* commission of \$9,011.52.

March 6.—Commission paid to P. W. Ellis & Co., of Toronto, etc.

I am, sir,

Your obedient servant,

J. FRASER,

Auditor General.

The Deputy Minister of
 Militia and Defence,
 Ottawa.

APPENDIX No. 3

DEPARTMENT OF MILITIA AND DEFENCE,

OTTAWA, March 22, 1915.

SIR,—I beg to acknowledge receipt of your letter of the 6th instant, about the payment of \$9,011.52 to P. W. Ellis & Company, of Toronto, on the purchase of binoculars.

This amount was paid under the instructions of the Minister, who authorized a commission of 10 per cent on all binoculars purchased, whether in Ottawa or elsewhere.

In accordance with your request, I beg to enclose copy of the first order given to Messrs Ellis & Company, dated 26th August, 1914.

You appear to have misunderstood the terms of my letter of the 26th January last, as meaning that the Topley Company had supplied 10,000 binoculars to the British War Office. I think you will find that my letter states that Messrs. Bausch & Lomb, of Rochester, N.Y., furnished these binoculars to the War Office.

With regard to the charge made by Thomas O. Johnston & Son, of Halifax for \$30 for one Seven Power Prism binocular, and particularly to the comment upon this charge "Eaton's price for above glass, \$9.45," I have made inquiry of Lt.-Colonel Hurdman, whose note this is, and he informs me that it was originally a query; and that upon making inquiry of Mr. Mason, representing P. W. Ellis & Company, he was told that Eaton's glass was not the same as Johnson's. The comment, therefore, is incorrect.

I have the honour to be, sir,

Your obedient servant,

H. W. BROWN,

Surgeon General,

for Deputy Minister of Militia and Defence.

The Auditor General,
Ottawa.

DEPARTMENT OF MILITIA AND DEFENCE,

OTTAWA, March 22, 1915.

SIR,—I beg to acknowledge receipt of your letter of the 18th December last, with regard to payments made to the McKechnie Music Company, of Ottawa, and the Whaley Royce Company of Toronto, respectively, for bugles and trumpets.

The bugles and trumpets furnished by the McKechnie Music Company of Ottawa, at \$7, less 20 per cent discount, were imported, and of European (not British) manufacture. Those supplied by Whaley Royce Company, of Toronto, were manufactured by that firm, in their own factory and are much superior in quality to the imported instruments.

I regret the delay in replying to your letter which, unfortunately, was mislaid for some time.

I am, sir,

Your obedient servant,

EUG. Fiset,

Surgeon General,

Deputy Minister of Militia and Defence.

The Auditor General,
Ottawa.

DEPARTMENT OF MILITIA AND DEFENCE,

OTTAWA, March 22, 1915.

SIR,—Your letter of the 12th instant to General Fiset, relating to the contracts for the supply of jams to Valcartier Camp, has been passed to me for reply.

In answer to your inquiry "why, when the goods of Glassco, Limited, were being supplied, the order was not given direct to the manufacturers," I beg to say

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that Glasco, Limited, did not directly apply for this business, nor were they known in this department as manufacturers of jams. On the other hand, A. F. MacLaren & Son, applied in person (both father and son) for an opportunity to tender; and gave assurances, both verbal and written, that they were manufacturers. They applied personally to the Minister of Militia, who sent them to me; they were, moreover, recommended by Sir George Foster, as canners.

Tenders for jam were originally received from Wagstaffe, Limited, and Dominion Canners, Limited, both of Hamilton; the T. Upton Company, of St. Catharines; E. D. Smith & Son, of Winona; and A. F. MacLaren & Son, of Toronto. By instructions of the Minister, the contracts were made with each of these five tenderers, at their tender prices.

I have the honour to be, sir,

Your obedient servant,

H. W. BROWN,

Director of Contracts.

The Auditor General,
Ottawa.

DEPARTMENT OF MILITIA AND DEFENCE,

OTTAWA, March 20, 1915.

The Auditor General of Canada,
Ottawa.

SIR,—Your letter received dated March 12, inquiring as to certain large advances made from War Appropriation.

It is presumed you refer to the following:—

Col. Sir Wm. Price	\$ 92,072 63
Lt.-Col. Wm. McBain	13,000 00
Col. Sir Adam Beck	3,000 00
Lt. H. P. Reynolds	9,500 00

The first two were in connection with engineer services and construction at Valcartier Camp, while the others are in relation to the purchase of remounts for the Second Contingent.

It is the custom in such cases to obtain receipted vouchers from all persons obtaining advances from public funds. In the first instance above noted all the cheques were forwarded by Colonel Sir William Price to this department, the bank having previously sent them to him direct. In the other cases the same procedure will be required.

Usually such advances are placed at some branch of the Bank of Montreal to the credit of the person carrying on the work, and a regular form of Government cheque is issued against the account which cheques after payment are returned by the bank to the Department direct.

Practically all accounts in connection with the first two advances have been forwarded to you already, and the others will be as soon as the amounts have been all expended.

I have the honour to be, sir,

Your obedient servant,

EUG. Fiset,

Surgeon-General,

Deputy Minister.

EVIDENCE.

HOUSE OF COMMONS.

Room 100.

WEDNESDAY, March 17, 1915.

The Select Standing Committee on Public Accounts met at 11 a.m., Mr. Morphy presiding, in the absence of Mr. W. S. Middlebro, Chairman.

The Committee proceeded to the consideration of "Sessional Papers numbered 122 of the present session of Parliament and all other papers in relation thereto, being copies of correspondence between the Auditor General and the Department of Militia and other departments of the Government, laid upon the Table of the House, in respect to expenditures under the War Appropriation Act," referred to them by the House.

Mr. JOHN FRASER called, sworn and examined.

By Mr. German:

Q. You are the Auditor General for Canada?—A. I am.

Q. In a Return brought down to the House in answer to a motion by Mr. Maclean (Halifax) there appears a letter written by you to the Deputy Minister of Finance dated December 4, 1914, on page 1 of the Return as printed. Is that the letter written by you as it appears in the Return?—A. Yes.

Q. And was it sent by you to the Deputy Minister of Finance on the date which it bears?—A. It was.

Q. Do you know whether or not it was received by him?—A. Yes.

Q. You got no reply?—A. No reply.

Q. How do you know he received it?—A. I handed it to him personally.

Q. And did you discuss the letter with him; its contents?—A. Possibly; I do not recollect, but we would discuss the whole letter after he read it over.

Q. Now it is said, I do not know whether or not there is any correspondence to that effect in this return, there probably is, but it is said at any rate that the Militia Department received no notice of the contents of that letter. Can you explain that to the Committee in any way?—A. There seems to be a misapprehension about that letter. I see a sort of supplementary return that was brought down, a statement made by the Accountant and the Director of Contracts in the Militia Department, they say "As respects the letter of the 4th of December to the Deputy Minister of Finance (pages 3 and 4) this department never saw this letter before to-day."

Q. What is the date of that?—A. The 9th of March, 1915, the date of this statement. It is quite possible that they never saw it. There are a number of letters in that same return that were possibly never seen by the Militia Department. For instance there is one to the Privy Council it was not addressed to the Militia Department. But if you look at that letter of December 4 the last paragraph but one on page 4 I say: "I have therefore to request that you will inform the Department of Militia and Defence that their letter of credit is no longer available for payments on account of War Appropriation Account, and no further cheques may be drawn for that purpose until provisions of the Act are complied with." That is the procedure that we take under the Audit Act in asking to have a credit cancelled or withheld. I do not cancel the credit myself or withhold the credit. The credits are issued by the Finance Department.

Mr. JOHN FRASER.

5 GEORGE V., A. 1915

ment and whenever a misuse of a credit is made it is my duty to inform the Finance Department or the Treasury Board that such has been the case, and ask them to take steps to have the credit used for the purposes for which it was issued. There was no necessity for me to inform the Militia Department; it was the duty of the Finance Department if they considered it was necessary to do so. I know that the letter was handed to the Minister of Finance who said he would take it to Council.

By the Chairman:

Q. Is this from personal knowledge you are speaking now?—A. My information is from the Deputy Minister of Finance.

The CHAIRMAN: I do not think that is a very fair statement for the witness to make. I do not know how this Committee is run but it seems to me that such a material fact as that should be proved in a direct and not in an indirect manner.

Mr. MACLEAN (Halifax): I do not know that it is important.

A. The reason I mentioned that is owing to the question by Mr. German whether I had any reply to this letter. I had a verbal reply from the Deputy Minister of Finance that same evening telling me that the matter would be attended to and that the Order in Council would be procured. That is why I mentioned this.

By the Chairman:

Q. Just for the sake of having it on record it might be well for you to state who the Deputy Minister of Finance is?—A. Mr. Boville.

By Mr. German:

Q. Did you have any discussion with the Minister of Finance about the matter as to whether the Militia Department had been informed that the letter of credit was cancelled?—A. No, the only reply I had was through the Deputy Minister who said that the Minister of Finance told him to tell me that the Order in Council would be procured.

Q. That the Order in Council would be procured? And until the Order in Council was procured was their letter of credit cancelled?—A. No.

Q. Did you have any further conversation with the Deputy Minister in reference to that particular matter?—A. Oh it is quite possible; I do not recollect it but we have verbal communications with one another every day and talk a great many matters over. It is quite possible that was the case.

Q. Then, so far as you are personally concerned, you do not know whether or not the Department of Militia ever had notice of the fact that you had written this letter to the Finance Department?—A. No.

Q. Was it in any way acted on, so far as you know?—A. It was, and the Order in Council was passed on the 6th January, 1915.

Q. And were expenditures made by the Militia Department out of their letter of credit between the 4th December and the 6th January when the Order in Council was made?—A. Yes. My letter states that about a million dollars were expended. I had received vouchers for an expenditure of over a million dollars up to the 4th December. Those vouchers were up until the latter part of September. When the Order in Council was finally passed the overexpenditure amounted to nearly five million, four million, seven hundred and some odd thousands of dollars.

Q. The vouchers that you had at the date of writing of this letter of the 4th December were vouchers up to the end of September?—A. Yes, the latter part of September.

Q. Do you know how much expenditure was made between the end of September and the date of your writing the letter, 4th December, for which you had no vouchers at that time?

The CHAIRMAN: The letter, I think, says that.

Mr. JOHN FRASER.

APPENDIX No. 3

The WITNESS: No, that was only up to September. I have not made it up, but the most of the items in the Order in Council that was authorized on the 5th January had been expended before the time the contingent sailed. It was nearly all expenditure in connection with the first contingent.

By Mr. German:

Q. When did that contingent sail?—A. I think it was in October some time. I have no recollection of the date.

Q. You cannot speak offhand then as to the amount of expenditures that had been made by the Militia Department between the end of September and the 4th December, the date of the writing of this letter?—A. No, the fact is I only got the vouchers for the Valcartier expenditure on the 1st February last.

Q. Well, can you tell me as to whether or not there was any expenditure by the Militia Department out of their letter of credit between the 4th December and the 6th January, the date of the passing of the Order in Council?—A. Certainly, they were expending all the time.

Q. Can you tell us how much of an expenditure there was from your present knowledge, or, if not, can you find out, between the 4th December and the 6th January?—A. I think there is expenditure that was not authorized by Order in Council?

Q. By Order in Council?—A. It would be quite a difficult matter to analyze the whole of their expenditure, because they were expending what was ordered, and what was not ordered, judging by that Order in Council, which amounted to about four and three-quarter millions. There certainly would be three million anyway.

Q. After the 4th December?—A. No, altogether from August. That would be two millions in addition to the million I mention there spent up to September?

Q. Yes. But when you wrote your letter of 4th December, notifying the Finance Department that there were large expenditures being made in violation of the Audit Act, and without an Order in Council, certain injury—if you may call it that—had been done. Then, on the 4th December you call attention to that fact, and you say that must be rectified. I want to know if, after the 4th December, there was any rectification, or whether this expenditure unauthorized still went on after you wrote the letter?—A. It went on. There was none of it authorized until the 6th January.

Q. I understand there was none of it authorized. But was there and, if so, how much, expended unauthorized between the 4th December and the 6th January?—A. I suppose I could ascertain that by analyzing the accounts.

Q. Would it be a very serious or difficult job?—A. I could get an approximate amount.

Q. An approximate amount that would fairly approximate the total amount?—A. Yes.

Q. Without much difficulty?—A. Well, I do not—yes. What we are here for is for difficulties.

Q. Well, I would like that got, because whether the Militia Department knew it or not, the Finance Department knew it on the 4th December, and I want to find out as to whether or not expenditures unauthorized by Order in Council were made after the Finance Department knew of and received your letter of 4th December?

By Mr. Chisholm (Antigonish):

Q. Did they say there were two million dollars?—A. There would be over two million.

Mr. GERMAN: About five millions altogether.

By Mr. German:

Q. Then, I see there is another letter written by you.

The CHAIRMAN: Is it on the same item? If not, I would like to ask a question.

Mr. JOHN FRASER.

By the Chairman:

Q. In your position as Auditor General, did you recognize any difficulty of strict compliance with the law in times of war such as we have had, a sudden outbreak, under the conditions arising, that you would distinguish between those times and times of peace, as to apply a methodical regulation to this Department?—A. It is certainly more difficult for them to conduct their business when there is a rush on like that, but I did not see any difficulty, any physical difficulty, in obtaining their Order in Council. When these goods were purchased, contracts let, they had a knowledge of it. They should have communicated these transactions to the council and asked for its authority. In the memorandum that we had at the conference there I tried to remove every difficulty in the way of conducting their business and still retain a reasonable amount of safeguards.

By Mr. Maclean (Halifax):

Q. Did you ask for an order in council for every class of item, or every substantial item?—A. No, we decided that that would be impossible to ask for every item, and we classified it to a certain extent; and then anything outside of that classification, that was of any large amount, that they should get a separate Order in Council for it.

Q. I see that in England they asked the spending departments in the time of war to submit what are practically estimates to the Treasury Board—which would be the Governor in Council in this case. Have you ever thought of that method? That would only be applicable to the coming expenditure of \$100,000,000. It could not be applied to the last fifty million?—A. In that war vote there is a clause put in not in your ordinary appropriations.

Q. It was not a vote of money, but a vote of credit?—A. It was a vote of money, \$50,000,000, but it was to be expended after being authorized by Council.

Q. It was not an ordinary vote of Parliament; it was a vote of credit; it was a vote to allow any department to spend money; it was a credit to the Government?—A. No, it was a vote just as much as any other, conditional on Orders in Council being passed.

Q. All votes are made to the departments, as a rule, are they not?—A. No. They are, for accounting purposes arranged under departments in the estimates. The money is granted to the Crown, and released by the Governor General to the Minister of Finance, who releases it then to the various departments concerned.

Q. According to the estimates voted for each department?—A. Yes.

Q. Still, I suppose, for the next year these expenditures will be made under Order in Council?—A. The new war vote for the hundred million dollars is worded in the same way as the last one.

Q. So far as you can follow it, it would be impossible for the Militia Department, for instance, to ask for an Order in Council, for every little expenditure?—A. Just to show you what I mean by making it general: there was an Order in Council authorizing the mobilization of thirty or forty thousand troops, I forget the number. In discussing what would be included in that we decided that everything necessary for that mobilization, the transportation of the troops, the pay of the troops, the supplies for feeding them, all that sort of thing—these were necessary in connection with it; and we assumed that the Order in Council authorizing the mobilization authorized everything that was necessary in connection with mobilizing.

Q. You were trying to distinguish between an ordinary expenditure and the war expenditure of the Militia Department?—A. Then, there were other things, for instance, the chartering of steamers for transport; we decided that that should not be included in ordinary transport. There would be a special Order in Council for that.

Q. What about these purchase of Standards, the Montreal Standard, or some papers. I think there was some correspondence about that. Why was that a war expenditure?—A. Because the Order in Council said so.

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Q. Was it a war expenditure? What was it about?—A. It was some Saturday editions of the paper.

Q. What was in the paper?—A. The pictorial edition.

Q. It was given to the troops, was it?—A. Oh, I do not know. It was obtained by the Militia Department. What they did with it, I do not know.

Q. It was for \$1,100?—A. I cannot remember the amount.

Q. But at any rate you called their attention to the matter and I understand passed it in that way?—A. Yes.

Q. I see according to a memorandum on page 10 you have a Committee composed of the Auditor General, the Deputy Minister of Militia, the Deputy Minister of Naval Affairs, the Paymaster General of the Militia Department, the Assistant Deputy Minister of Finance, and the Deputy Minister of Finance. Why should there not be on that Committee some of the purchasing agents of the various departments?—A. That was not a permanent committee.

Q. Is not that committee alive now?—A. Oh, no. Immediately on starting this thing we got into difficulties, in fact what led up to it was that I had asked for audit before payment; in other words that the Militia Department before making any payment should send me vouchers and have them examined first. It was found to be practically impossible to do that, it could not be handled that way, and somebody suggested that we should get together, all those concerned in the matter, and come to some reasonable understanding as to how they were to handle it.

Q. That is all that that committee was for?—A. Yes to make a practicable working arrangement, that is what it was for.

Q. Now there is a committee of the Privy Council that has been formed to take charge of purchasing?—A. I do not know; I only know of that just as you do, by report.

Q. Would not a committee such as that be less valuable to the department in making purchases than if there were on that committee some men who are experts in purchasing supplies?—A. They are supposed to have all the necessary experts themselves in the department.

Q. When the Militia Department buy it is authorized by the Governor in Council, that is the procedure?—A. Yes, the idea was that the Militia Department should ascertain its requirements and would then ask council for authority to make the purchase or contract.

Q. I thought there was a committee of the Privy Council making purchases under the Militia Department?—A. Not at the beginning, I think.

Q. When was it appointed?—A. I think along about some time in September or October.

Q. You have a staff of assistants who are experts in the purchase of supplies?—A. Not in the purchase.

Q. How do you acquaint yourself with the market prices?—A. There are a great many different ways we have, other accounts for the same classes of goods are very often available and the members of my staff get fairly familiar with the prices when handling the accounts. Then when there is anything special I take other measures to ascertain the price; sometimes I get catalogues from the wholesale houses, and I pick up information in any way I possibly can.

By Mr. Blain:

Q. Do I understand you to say there was a committee appointed by the Governor in Council for making purchases?—A. I do not know except by current report.

Mr. BLAIN: I understood the Prime Minister to say in the House yesterday that there was not.

Mr. SHARPE (Ontario): The Prime Minister said he was not aware of it.

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By Mr. Stanfield:

Q. I want to ask the Auditor General a question for information. Are not all letters and correspondence with your department in reference to public business considered and regarded as private until reported to the House?—A. In what way do you mean they are private?

Q. How do you account for the fact that before this correspondence was laid upon the table of the House it was public property?—A. It was not.

Q. I heard about it. Did some official in your department give it out?—A. I would like to know about it if they did.

Q. It is not the intention that it should be public before being presented to the House?—A. There is no such intention.

Discussion followed.

The AUDITOR GENERAL: Will you, Mr. Chairman, allow me to make one remark right here. If there is any member of this Committee that knows information has gone out from the office I think it would be only fair to me to let me know what that information was, and if possible who gave it out. Or if the member is not able to tell me that, if he will let me know what the information is I will take steps in my own office to try to find out for myself. I have a staff of about ninety, composed of all kinds of people, and I cannot keep tab on them. They all understand they are not to give out any information; that if anybody comes for information, except it is of the most ordinary nature, that everybody knows about, inquirers are always to be sent to me. I have always refused point blank to give out information regarding the current years work that has to be reported to Parliament first. I know you are all interested in the conduct of the office and I will only be too glad to get any assistance in that way to prevent information being improperly given out.

By Mr. Garland:

Q. Is it customary on your part to go to other stores here in the city of Ottawa to get their prices from them and to tell them what other people's prices are?—A. No, it is not customary at all, but I do sometimes get something before me that I think is not right and then I take any means I can to find out. I would not hesitate to do that, in fact I have gone myself to other stores, at least I have gone to a large business house to find out the price of an article. For instance, it was customary in connection with vouchers where there were greater quantities of supplies furnished than what the man's account contained, there are some cases where the Militia Department have added articles to the account as rendered, and I do not think they have any right to do that, they should have sent notice to the parties supplying the goods that they have received more than what they were billed for. I went to a business house to find out what was the custom in connection with that.

Q. That is not the point I refer to. The point I had reference to is going to another house, getting their price, and giving the other's man prices away?—A. I would not give the other man's price away, but if I had a case that I thought was absolutely wrong I consider I should take any reasonable means in order to ascertain whether it was wrong, and, if it is necessary to go and ask the other man for comparative prices, I certainly would not hesitate to ask him. I have done it.

By Mr. Maclean (Halifax):

Q. You would not accomplish your object if you gave the other man's price away, that would not help you.—A. No—well, sometimes you will be warranted in putting up a little bluff in order to find out what you want to know.

By Mr. Blain:

Q. I want to ask whether any supplies have been purchased by the Militia Department outside the vote in the War Appropriation Bill of 1914, for war expenditure?—

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A. That would be pretty hard to say, Mr. Blain, anything that the Department considered necessary in connection with the prosecution of the war, unless it was a very glaring thing, and then I would have to get their reasons for buying it. For instance, the question might arise whether they should purchase an aeroplane I would not consider I was a competent judge of that; if the Militia Department thought it was necessary and got an Order in Council, I would pass it.

Q. Were there any accounts you refused to pass?—A. Because they were not for war purposes.

Q. Yes?—A. I cannot recall any just now, my objections were chiefly to excessive prices.

Q. One other question—do you understand the Militia Department had any difficulty in procuring an order in council for these payments?—A. I would not care to answer that, I would prefer not to.

Q. Why not?—A. Well, there are a great many things that take place which I look upon as confidential. For instance, if I had a discussion with the Minister, very often things are said to the Minister that certainly are not intended for publication.

Q. You do not understand that the delay mentioned in your letter was caused because the Department were unable to procure the Order in Council, do you?—A. That reason was never given to me.

Q. It never occurred to you that there was such a reason?—A. Because they could not get an Order in Council.

Q. Yes?—A. Well, perhaps I had a suspicion of that sort.

Q. Why?—A. I am not in the confidence of council.

Q. You would not get the suspicion from the Council?—A. Well, I understood from the Militia Department that they had applied for the order in council.

Q. At what date?—A. I do not know the date, I know it before it was passed.

Q. And did you understand there was any difficulty in passing the order or simply there was the usual delay.—A. They did not know, they did not give me the reason, possibly they did not know themselves.

By Mr. Maclean (Halifax):

Q. In this memorandum of the Committee I notice the recommendation that in connection with purchases involving sums in excess of \$5,000 it was recommended that tenders be asked, was that carried out?—A. I hardly think so; at least I have not got the information. There is quite a pile of information I haven't got from the Department yet.

Q. But you know about this recommendation of the Committee?—A. With reference to the \$5,000 purchases?

Q. Yes?—A. That was my own suggestion, I called attention to the practice in other departments.

Q. And the Committee agreed with the suggestion?—A. Yes.

Q. And as far as you know it was never carried out?—A. I would not say it was never carried out, but I know there are lots of cases where it was not carried out.

Q. I see, where the amounts were in excess of \$5,000?—A. Yes.

Q. You say, "As far as practicable"?—A. Yes.

Q. Do you mean to say that there are cases where it was practicable to call for tenders and they did not do so?—A. That would be a matter of opinion; if I asked a question they always gave the reason that it was a rush order.

By Mr. Blain:

Q. If it was by tender it is usual to allow so many days which would cause delay?—A. There are two ways of obtaining tenders, one is by sending out a note to the various persons engaged in that line of business.

Q. I am referring to cases where there is public advertisement.—A. Yes, if you advertise in the paper.

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Q. How long a time would you have to advertise?—A. I am not certain, but it would be some reasonable time.

By Mr. Davidson:

Q. Four weeks?—A. Some reasonable time.

By Mr. Maclean (Halifax):

Q. I suppose there were good reasons, why, in many cases, tenders could not be asked for?—A. Oh, yes.

Q. But in respect of the expenditure for next year, it should be much easier to predicate their future wants, the future wants of the Militia Department, and ask for tenders?—A. Owing to their experience in the past, certainly they should commence early enough to set the machine in motion for it.

By Mr. Chisholm (Antigonish):

Q. The working arrangement arrived at after the war broke out, as to payment is set forth in your memorandum at p. 10?—A. Yes.

By Mr. Maclean (Halifax):

Q. I see in a letter to the Department from you, dated December 4, on pp. 3 and 4, you say this:—

“For auto trucks, motors and motor supplies over half a million dollars has been expended for drugs, surgical supplies, etc., over \$90,000, field glasses over \$50,000, and various other items, the whole amounting to over \$1,000,000. No Orders in Council have been received for these articles.”

Were Orders in Council ever passed covering these expenditures?—A. Yes, the Order in Council of 6th January.

Q. Covered that?—A. Covered that.

Q. I see. The expenditures you there refer to were made directly by the Militia Department, I suppose, without approval of the Governor in Council prior to purchase?—A. So far as I know. I only get the approval of Council when the official document is passed.

By Mr. Chisholm (Antigonish):

Q. Anyway, these expenditures were not in compliance with your memo?—A. It was worse than that; they were not in compliance with the Act.

By Mr. Maclean (Halifax):

Q. Your practise is to give the spending department a credit vote, that is all you do?—A. A letter of credit, yes.

Q. Would it not be better for the spending department to get an Order in Council covering every proposed expenditure first and give them a letter of credit afterwards?—A. Well, no; that would not. In the present case it would not be feasible, because the whole machine was running at the time. If I got the Orders in Council before the vouchers were sent in to me, or within a reasonable time, in conversations with them there I told the Deputy Minister of Militia, for instance, he pointed out some of the difficulties in getting Orders in Council where things were wanted in a hurry. I said, I quite realize that; but cannot your Minister get the consent of Council, even although the formal document is not passed, discuss the matter there.

Q. I thought there were cases where there were Orders in Council passed prior to the expenditure?—A. Oh, there were a great many Orders in Council passed prior to the expenditure.

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Q. What was this pamphlet "Canada at War," what was that about?—A. I never saw—at least I don't think I saw the pamphlet.

Q. Was it descriptive of the war and the origin of the war? It is referred to on p. 6?—A. I think it was some collection of those documents that passed between the various governments in connection with the war, or something of that kind.

Q. I see?—A. Or some of those articles in connection with it, I am not sure.

By Mr. Carvell:

Q. With reference to the letter dated 4th December, pp. 3 and 4, did I understand you to say that you afterwards obtained an Order in Council for these large expenditures for auto trucks and motors, and things of that kind?—A. Yes, on the 6th January.

Q. What was it that induced you to refer to those particularly? You refer to auto trucks, motors and surgical supplies, and field glasses. I understood you to say there were many other items?—A. Yes. But they had Orders in Council for other things paid at the same time. But when these came in, and we were examining them we had no authority for passing them.

Q. Did you make any investigations yourselves as to the prices charged, as compared with the ordinary commercial rates for these same commodities?—A. Yes.

Q. Did you write this letter in consequence of your investigation as to prices, or was it because there was no Order in Council?—A. Because there was no Order in Council. I had very strict orders in connection with that; that was one of the things that was impressed on me very forcibly,—that I was to see there was no expenditure for which there was not the authority of the Governor in Council.

By Mr. Blain:

Q. Who impressed that upon you?—A. Both the Premier and Minister of Finance.

By Mr. Carvell:

Q. Supposing under the system in vogue in your office you had the Order in Council and the authority was there for the purchase; if you were suspicious that the price was too great do you consider it your duty to investigate?—A. Oh, yes, I try to find out. Of course, the vouchers are all certified "Fair and just" but I am not obliged—

Q. That is put on with a stamp. It does not mean very much?—A. It does not. I have not a great deal of confidence in that certificate.

Q. That rubber stamp?—A. I have not very much. I have not many facilities, but I may say, for instance, I have been around automobile establishments getting prices myself for individual articles and for larger quantities; and, well, I have found that I could buy an individual machine for the same price as they were buying larger quantities. And I may say in the question of drugs there was one item in a drug bill there that I had happened to know the price of. It was the only item in a bill of about \$30,000; that has been before the House already, I believe, that is clinical thermometers. I was unfortunate enough to break one, and had to buy one and paid a dollar for it; and when I saw them charged at a dollar there in quantities I took steps to find out what the wholesale price was. I got a price of \$5 a dozen, and they had paid \$12. Well, I did not consider that the certificate certifying that that price was "fair and just" was worth anything.

By Mr. Garland:

Q. Was that for the same quality?—A. I am quite certain in this case because I got it from the man who sold the goods, although he did not know what he was telling me.

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Q. One can easily make a mistake in an article of that kind?—A. Quite so. But I was positive in that case. To show that I was, the man reduced his price from \$12 to \$6, and refunded the money.

Q. They were purchased in 1909 for \$1.25 and the accounts passed through you?—A. Not through me. I have not any doubt at all, because the parties examining did not know, and possibly they were in small quantities. What is probable is there was no description of a thermometer.

Q. Is not the thermometer sealed pattern?—A. I do not know, it has not changed since 1896. What I know in this case I asked a dealer for prices, what the wholesale price was, and he said \$5 a dozen. I said: Will you sell them to me at that? He said: Yes.

Q. He did not sell, did he?—A. He did not sell. I did not buy any. I got the information I wanted.

By Mr. Maclean (Halifax):

Q. At any rate you got this settled up at \$6 a dozen instead of \$12?—A. Yes, the man refunded the money; that is all I was concerned in.

By Mr. German:

Q. Where was the man—here in Ottawa?—A. Yes.

Q. Did he sell to the Government?—A. Yes.

Q. In what quantity?—A. Oh, a few hundred, I have just forgotten offhand now. The amount he refunded was \$521, I think.

By Mr. Carvell:

Q. That would be a good many hundred?—A. Yes, a good many, somewhere near seven or eight hundred, I should think.

Q. What is the firm?—A. Brownlee.

By Mr. Maclean (Halifax):

Q. Were similar articles bought from other firms?—A. I do not remember of seeing any clinical thermometers except those.

By the Chairman:

Q. In that case, did you ask this man to refund?—A. No, I told the Department. I happened to be discussing something else with the Director of Contracts, and I told him that I had not much confidence in his certificate, and I gave that particular instance as a case.

Q. And the money was demanded by the Militia Department?—A. Well, maybe, I do not know. All I know is that I got a letter some little time ago stating that the money was refunded and enclosing a letter from Mr. Brownlee stating that it was a mistake of his clerk.

Q. You got a letter from whom?—A. The Militia Department.

By Mr. Hughes (Kings):

Q. What officer certified the prices as being "Fair and just"?—A. Mr. Brown, the Director of Contracts.

By Mr. Davidson:

Q. Do you know how long he has been appointed?—A. He has been there a good many years.

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Mr. MACLEAN (Halifax): I think since 1896, the year they started the clinical thermometers.

By Mr. Bennett (Simcoe):

Q. Have any other conscience-stricken contractors refunded?—A. I have not heard of any.

Mr. GERMAN: They will later on.

By Mr. Garland:

Q. This man did not refund that until there had been some publicity, by questions asked in the House?—A. I think after some questions were asked on the Order Paper.

By Mr. Davidson:

Q. I understood you to say that you would not know when the consent of Council, or the order authorizing any of these expenditures, was actually passed? You would not know the time but you would merely know later on when you got the formal, official copy of the order?—A. Yes, usually within a day or two after it is passed, sometimes the day it is passed. They send me a copy of the Order in Council from the Privy Council office.

Q. You suggested to some member of the Council that the Council might give consent even before passing the formal order?—A. That was the Deputy Minister of Militia to whom I mentioned that.

Q. You thought that would be satisfactory?—A. Well, if followed immediately, or as rapidly as possible, with the Order in Council. The idea was that he should have the consent of Council, whether I knew it or not, and that I should know it as soon as it was formally passed.

Q. You do not know whether that was done or not?—A. Oh, I do not know what is discussed in Council.

By Mr. Blain:

Q. Do you think that Mr. Brown is a careful officer?—A. Yes, I haven't anything to say against Mr. Brown.

Q. And he is a reliable man of good standing?—A. Yes, but Mr. Brown was certifying for things he did not know about.

Q. But in a general way you found him careful and reliable?—A. In a general way.

Q. You found him, in a general way, a competent officer?—A. Yes, there was a great rush, and a large amount of stuff to handle, and he could not possibly have personal knowledge of what he was doing, but the medical staff of the department should have some knowledge.

By Mr. Davidson:

Q. Mr. Brown was appointed by the same Government that you were appointed by?—A. Yes, I think so; I am pretty sure that Mr. Brown was appointed while Sir Frederick Borden was Minister of Militia.

By the Chairman:

Q. I wanted to ask you about the letter you delivered to Mr. Boville. You delivered it, you say, personally?—A. Yes.

Q. Is that a common practice, or why did you deliver this particular letter in that way?—A. The Treasury Board was sitting at the time and I expected he would get it in before them, it was to save time.

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By Mr. German:

Q. There is some correspondence here between Mr. Brown and yourself and Mr. Powell about some field dressings on pages 19, 20, 21 and 22. Do you know the amount of field dressings, absorbent cotton, etc., that was supplied by Mr. Powell?—A. Not from memory, but there are 30,000 field dressings mentioned in the correspondence here.

Q. Thirty thousand dollars worth?—A. No, 30,000 field dressings.

Q. Does "field dressings" include absorbent cotton, bandages, gauze, etc.?—A. I think that is what they are made up of.

Q. Do you know anything about the contract with Mr. Powell for the supply of these?—A. All we know is that Mr. Brown told me he was to get five per cent.

Q. Very well, we can get Mr. Brown here and find out from him about that. Do you know anything about what the market price of these articles was at that time?—A. Wholesale or retail?

Q. Wholesale?—A. Oh, not very closely, except I know the prices that Bauer & Black charged for the goods.

Q. You know the prices of Bauer & Black the manufacturers?—A. Yes.

Q. The price they charged for the goods?—A. Yes.

Q. How do you know that?—A. Is it necessary for me to tell? I got a list of their prices, and I am prepared to certify that the prices are correct.

Q. Did you satisfy yourself that the list of prices you got is correct?—A. Yes. I have no objections to tell where I got them. Those prices are from the entry of their goods in the custom house, those invoices are sworn to in the custom house, so that there could be no question about the prices.

Q. And that is the manner in which you secured your knowledge as to the prices?—A. Yes.

Q. Was there a contract with Mr. Powell, a written contract?—A. I think not.

Q. Was there a verbal contract?—A. Mr. Brown told me, in the presence of Mr. Borden, the accountant, that they were to get five per cent on the contract.

Q. That is not known to you except by hearsay?—A. Told me by the man who made the purchase.

Mr. GERMAN: Then I am going to move, Mr. Chairman, that Mr. T. C. Boville, who is the Deputy Minister of Finance, Mr. H. W. Brown, and Mr. E. Powell, of 981 Wellington street, Ottawa, be subpoenaed to appear here at the next meeting of this Committee to give us this information at first hand.

Motion put and carried.

Mr. GERMAN: Mr. Fraser, you will please get that information as to the amount paid out approximately between the 4th of December and the 6th of January.

WITNESS: I will.

Witness retired.

Mr. MACLEAN (Halifax): Mr. Chairman, there is just one thing I would like to mention before we adjourn. The other day I made a motion that certain papers should be referred to this Committee, and those papers were correspondence between the Auditor General, the Department of Militia and other departments of the Government. The Prime Minister concurred in the reference to this Committee, and I find on looking at "Hansard" that the Prime Minister also said he was glad to accede to the motion because a member of this House, the hon. member for Carleton:

"Came to me some time ago and asked that matters in this correspondence that had been commented upon especially in the press of this country as touching his own position in the House should be fully investigated at the earliest possible moment."

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This was followed later by a statement by Mr. Garland which you will find on page 999 of "Hansard," and Mr. Garland apparently—I am impressed with it now more than I was when I heard his statement in the House—is impressed with the idea that this motion was directly, or inferentially against him, and a challenge as to his seat, perhaps a charge of violation of the Independence of Parliament Act by him. This apparently was in Mr. Garland's mind because I notice on that same page he said:

"First of all, since I have become a member of Parliament, I have not been in any way whatever interested in contracts with the Dominion Government, and have never been, and am not now, directly or indirectly, by understanding, secret or otherwise, or in any other way whatever, interested in the dealings which Mr. Powell had with the Militia Department, or with any department."

Then on page 1000 he said:

"It is only my desire to bring this matter to an investigation and conclusion as quickly as possible. That leads me now to demand that any one who wishes to make such a charge, make it now in a manly way across the floor of the House and on his responsibility as a member of Parliament."

I feel that possibly it is incumbent upon me to make a statement here to the Committee by reason of that statement made by Mr. Garland. In the first place he states that he welcomes an investigation as to his own conduct before the Committee, and he also asks or challenges the House, or any member of the House, to make a charge against him. Now I want to say, as far as I am concerned, that I was not thinking of Mr. Garland in any way whatever. All I desired was to have the reference of this correspondence to the Committee for such investigation as the members of the Committee may desire. I was not thinking of anybody or anything in particular. I did know that there were a few matters which some of the minority members of the Committee wished to investigate. Now it may be that Mr. Garland may expect this Committee to go into a matter which he considers is a charge of the violation of the Independence of Parliament Act by himself. I want to say, that as far as I am concerned, and as far as any other members of the Committee are concerned, we do not propose going into it in that way. If Mr. Garland thinks that charges have been made against him in Parliament which questioned his right to further have a seat in Parliament, and he expects this Committee to conduct the investigation, I want to say he must commence it himself. I wish to disclaim any intention whatever of going into the matter, because this would hardly be the Committee, in any event, to conduct such an investigation. It would require a charge to be made, a special reference to a special committee to inquire into it, that is the usual procedure. I want to make this statement in fairness to myself and in fairness to Mr. Garland, because he might feel called upon to appear continuously before this Committee from day to day expecting that some members are going into that question. I have made that statement in order that Mr. Garland might know exactly what my position is, and what will be the position probably of the minority members of this Committee.

Mr. BLAIN: What I understood Mr. Garland to say was this, that Mr. Maclean having brought the matter up in the House his answer was simply that if Mr. Maclean or any other member had a charge to make against him that that member, be he Mr. Maclean or any one else, should stand up and make the charge with the responsibility of his seat in the House. That was certainly the understanding I had of Mr. Garland's statement.

Mr. MACLEAN (Halifax): I think it is not quite clear that was the meaning of the Prime Minister, who stated that he was the more inclined to accede to the motion that the correspondence should go to the Committee because of Mr. Garland's statement to him.

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Mr. CARVELL: I do not know whether Mr. Maclean intends to notify Mr. Garland that he may remain away from the Committee because there will be no investigation of this matter. I want to say I have discussed it with my friends and we do not intend to make any charges with the intention of disqualifying him as a member of the House, but if matters should develop and anything should arise that Mr. Garland might feel called upon to answer, that is a situation that will have to be met as we go along. With that qualification I think I can accept everything Mr. Maclean has said.

(Examination of Mr. John Fraser continued.)

By Mr. McKenzie:

Q. Referring to the items on page 24 of this blue book. Who is this Mr. Powell referred to here?—A. I am not acquainted with Mr. Powell at all. I understand that he is in the employ of the Carleton Drug Co.

Q. Those items of supplies mentioned on p. 24 are the supplies purchased for the Militia Department, as I understand it?—A. Yes.

Q. Why the agency of Mr. Powell, or anybody else, as a medium between the department and the sellers of these goods—was there any necessity why the department would not buy direct? From your experience of many years, do you know of any reason why the department could not buy themselves direct without calling in the agency of some third party?—A. I have discussed that with the department, and the answer given is that it was a rush order, they had to get everything right off. I may say that I suggested to them that I thought the best way to do in connection with a rush order, when they had their schedule of goods made out, and they found it necessary to go to a retailer on the spot here in Ottawa, they could say to him: Now, we will give you a certain commission on that, whatever percentage that would be fair, anything within reason—I do not know what would be fair—and ask him if he would take the bill and fill it.

Q. According to the face of this document on p. 24, the prices in the first column under the heading "Prices paid by Powell," those are the prices for which the department could have bought themselves had they bought direct?—A. If the wholesaler would sell to them.

Q. Do you know of any reason why they would not sell to the Government?—A. I do not know of any reason.

Q. And whatever increases are made between the prices paid by Powell and the prices charged the department are extra charges to the department over and above what they actually could have bought the goods?—A. If they could have bought them from the wholesale house. I do not know any reason why they could not. There may be a reason. The department should be able to give that reason.

By Mr. Blain:

Q. As I understand it—I want to understand it—this list on p. 24 is a list of Bauer & Black's goods, of Chicago. These goods were supplied in the city of Chicago. Mr. Powell is the city of Ottawa agent, and if any goods are bought in the city of Ottawa from time to time, according to the general practice of business, they must be bought through Powell. Therefore, they could not be bought direct from the company. If they were bought at all they must be bought from the agent who represents them in the city of Ottawa. That is the business way. Do you not understand that to be the way?—A. I do not know. I know that, in the case of one article I asked a wholesale house: "Will you sell it to me?" They said: Yes. The other may be the practice you speak of.

By Mr. Kyte:

Q. Is there a purchasing agent for the Militia Department?—A. Well, I think the Director of Contracts is considered the purchasing agent.

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Q. Well, he is, as a matter of fact.—A. I think so.

Q. And he is, of course, paid by salary, not by commission?—A. By salary.

Q. Mr. Powell then so far as these items are concerned, was the purchasing agent for the department?—A. That would depend on what took place between the purchasing agent of the department and Mr. Powell.

Q. He bought for the Government, at all events it would appear from the transaction, and was paid by commission?

By Mr. Davidson:

Q. What evidence have you that this man was buying merely for the Government, and was not the regular agent of the company?—A. I refer to Mr. Brown.

Mr. MACLEAN (Halifax): There is some misunderstanding.

Mr. DAVIDSON: It is not right to have the minutes lumbered up with what Mr. Fraser thinks, when we can get Mr. Brown to tell us the facts. It is highly improper.

Mr. CARVELL: You will find the information in the letter of the Deputy Minister on p. 20.

Mr. DAVIDSON: Whose letter is it?

Mr. CARVELL: General Fiset's.

By Mr. Davidson:

Q. Just one other question. With your experience in office, you must have in your office considerable experience of this kind, would you say it would be reasonable for a wholesale house, when they have an agency in the locality, to allow the Government to deal directly with them over the head of their agent?—A. I do not know. That would be a matter for the wholesale man himself.

By Mr. Carvell:

Q. Let me follow that by another question: Suppose they had no agent in the city, do you know any reason why they should not deal direct with the Government?

Mr. MACLEAN (Halifax): He does not want to answer.

The WITNESS: I think we have got accounts from wholesale men direct frequently.

By Mr. Carvell:

Q. Did you get any account from wholesale instrument men, like Johnson and Johnson?—A. The only accounts I recollect for surgical instruments are from MacDonald in Ottawa.

Q. That is surgical instruments; that is not bandages?—A. I thought you said surgical instruments.

Committee adjourned.

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HOUSE OF COMMONS,

Room 100,

FRIDAY, March 19, 1915.

The Select Standing Committee on Public Accounts met at 11 a.m., Mr. Morphy presiding, in the absence of Mr. Middlebro, the Chairman.

The Committee proceeded to the consideration of "Sessional Papers numbered 122 of the present session of Parliament and all other papers in relation thereto, being copies of correspondence between the Auditor General and the Department of Militia and other departments of the Government, laid upon the table of the House in respect to expenditures under the War Appropriation Act," referred to them by the House.

Mr. T. C. BOVILLE called, sworn and examined.

By Mr. German:

Q. You are the Deputy Minister of Finance, Mr. Boville?—A. Yes.

Q. The Auditor General says that on the 4th December last he handed you a letter of that date, a copy of which is in the return before this Committee, the letter being in reference to payments which were asked to be made, and which had been made, as to which there was no Order in Council. Did you get the letter?—A. Yes.

Q. And read it?—A. Yes.

Q. And what did you do with it?—A. I immediately submitted it to the Minister of Finance.

Q. Did he take the letter into his possession, or did you keep it?—A. He held it in his possession for a while; the letter was afterwards returned to me.

Q. How long did he have it in his possession?—A. A very short time indeed. The letter was returned to me the same day, probably within a few hours.

Q. And did you take any steps to notify the Militia Department?—A. None.

Q. Why not?—A. The Minister advised me that inquiries had not been completed in regard to the terms of the memorandum, and that he wished to consult officers of the Militia Department and also a gentleman who was in Europe, that on the completion of those inquiries, and on the return of the gentleman from Europe, the Order in Council would be passed. He asked me to advise the Auditor General to that effect, which I did immediately, and the Auditor was quite satisfied. There was no necessity, therefore, for the cancellation of or interference with the credit of the Militia Department nor was there any necessity for communicating with the Militia Department.

Q. Did you advise the Auditor General by letter?—A. No, immediately I received the message from the Minister of Finance I proceeded to the Auditor General's office, and gave him the information as quickly as I knew how. The Order in Council was subsequently passed on the 6th January, and the Order in Council is practically the answer to the Auditor General's letter.

Q. You have no further knowledge about the matter excepting what you have now stated?—A. That is all my knowledge.

Q. Of course you had nothing to do other than what you were instructed to do by your Minister?—A. Nothing. I carried out his instructions.

Q. And let it stand there?—A. Yes.

Witness retired.

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Mr. JOHN FRASER recalled.

By Mr. German:

Q. You have just heard the statements of the Deputy Minister of Finance, Mr. Fraser?—A. I did.

Q. That corresponds with your recollection, does it?—A. Yes.

Q. Have you any further correspondence in your office or Department relating to those matters which are not included in this return?—A. There is correspondence in relation to Militia matters from the date of that return down to the present.

Q. Letters by you to the Department and to the Minister of Finance?—A. Yes.

Q. And relating to the matters in regard to which this correspondence which is before the Committee now, pertains?—A. Well, it is a broad subject; it is relating to the War vote, yes.

Q. You could produce that correspondence to the Committee, could you?—A. Yes, if the Committee desires it.

Q. And have you vouchers and contracts in relation to the purchase of horses, which is referred to in this correspondence?—A. I do not think we have any contracts; we have the cheques for the purchase of the horses, the cheques that were drawn by the purchasers.

By the Chairman:

Q. You mean the cheques received by the purchasers?—A. The cheques received by the purchasers.

By Mr. German:

Q. The cheques received by the purchasers?—A. Yes.

Q. Have you in your Department anything to show from whom the horses were purchased?—A. Nothing but those cheques.

By the Chairman:

Q. To the order of the purchaser?—A. Yes. There are some of them for very large numbers of horses. I do not know whether those were individual cases. There are some for a single horse, and some for ten or more horses.

By Mr. German:

Q. Horses paid for by cheque?—A. Yes.

The CHAIRMAN: There is a return here showing it.

Mr. CARVELL: You will find it on page 28.

By Mr. German:

Q. You can produce all those accounts for the inspection of the Committee, if we choose to require them?—A. Yes.

Q. Well, that is what I wanted to know from Mr. Fraser, that if the Committee chooses to examine those accounts, I will ask that they be produced.

By Mr. Davidson:

Q. I refer you to page 24 of the correspondence; there is a list there showing the prices paid by Powell, and charged to the Department?—A. Yes.

Q. I understand you got these prices from the Customs officer?—A. They are the prices shown by the invoices that are entered in the Customs Department.

Q. Of course, in addition to these prices, Mr. Powell would have to pay the duty on these articles?—A. I think not.

Q. Why not? Where they not brought in from the United States?—A. They were. Well, Mr. Powell could answer that. I understand not. I understand that the prices were duty paid by Bauer & Black.

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Q. Are articles for military purposes imported free of duty?—A. No, not necessarily. They would not be in that case.

Q. They would not be?—A. If the Department itself imported they might be.

Q. Then the duty should be added?—A. The duty is included in those prices.

Q. What makes you think that, Mr. Fraser?—A. Well, some of these agree with Bauer & Black's Canadian catalogue, which says that the duty is included.

By Mr. W. H. Bennett:

Q. Mr. Powell would know about that?—A. Yes.

Mr. GERMAN: Mr. Chairman, I would ask then that Mr. Fraser be instructed to produce those accounts and the subsequent communications he has had, before the Committee, so that we can examine them. In that way we can make more rapid progress.

The CHAIRMAN: I suppose that is satisfactory to the Committee, is it, that everything should be produced here that is required to go fully into the matter.

Mr. GERMAN: Very well, Mr. Fraser, if you will get together the accounts and correspondence and produce them so that the Committee can examine them.

The CHAIRMAN: I might suggest before Mr. Fraser goes, that the demand be limited so that his search will be crystallized to certain accounts. I do not know what you have in mind, but I do not suppose it is intended to make an indiscriminate request to produce everything, regardless of whether it bears on this question or not.

Mr. A. K. MACLEAN: About the horses.

The CHAIRMAN: Only.

Mr. CARVELL: Partly about the purchase of horses and partly the correspondence with regard to other subject matters under review.

The CHAIRMAN: Very well, so long as Mr. Fraser knows and there is no misunderstanding.

Witness retired.

H. W. BROWN, called, sworn and examined.

By Mr. German:

Q. I understand you are the Director of Contracts for the Government?—A. Yes, sir.

Q. In that position you have charge of the purchasing of supplies for the Government?—A. Generally for the Department of Militia.

Q. For the Department of Militia?—A. Yes, generally speaking.

Q. You made a contract with Mr. Powell, E. W. Powell, is it?—A. E. Powell.

Q. For the purchase of a quantity of field dressings and other medical supplies?—A. Yes.

Q. What was your agreement with him in regard to those things that he was to supply?—A. Are you speaking now of the field dressings? There are a number of orders given at different times.

Q. I am speaking of those necessities mentioned in the return shown on page 24 of the printed correspondence.—A. (After examining printed report.) Well, as I remember it—I cannot say positively because it was some six or seven months ago—as I remember it, that list, or the greater part of it, was comprised in the requisition by Colonel Jones, the Director of Medical Services, made early in August, the first half of August I think, sent over to me with instructions to buy these supplies with the least possible delay. Colonel Jones spoke to me over the phone, emphasized the necessity of immediate delivery, and told me, moreover, that he had already seen Mr. Shaver, who was the Canadian representative of Bauer & Black, of Chicago. He had already seen Mr. Shaver and discussed this thing with him, and was sending Mr. Shaver over to me, and wanted me to—well, get the order away, get the authority for the expenditure in the first place and get the order away as fast as possible, because

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there was, well, every reason to hurry. He wanted the supplies as soon as he could get them. This requisition covered a very wide variety of supplies. I got the authority from the Deputy Minister or the minister for this expenditure. There was no bargain made with Mr. Shaver about prices. He would not give me any price—as a matter of fact he said it was a rush order and they were crowded up, they were working 24 hours a day.

By Mr. A. K. Maclean:

Q. You saw Mr. Shaver himself?—A. Yes, I saw Mr. Shaver himself, he came over to my office. He gave me one reason or another and the consequence was the order was given to him. Well, no, it was not given to him in writing. He asked me, he directed me to give it to Mr. E. Powell, of Ottawa, as the Ottawa representative of Bauer & Black. The order was sent to Mr. Powell accordingly.

By Mr. German:

Q. That was not the question I asked, though. I asked what agreement you had with Mr. Powell as to prices?—A. None whatever, Mr. German. I had no—I had never seen Mr. Powell before at that time. I did not know Mr. Powell at all, and as a matter of fact I never saw Mr. Powell before January last. My dealings were with Mr. Shaver.

Q. What are Mr. Shaver's initials?—A. I cannot tell you, Mr. German.

Q. He is the Canadian representative of Bauer & Black?—A. Yes, I believe he lives in Toronto.

Q. You had this requisition in writing?—A. Yes.

Q. It does not appear in this return (pointing to printed volume).—A. Well, there is a quite a bit of correspondence in this connection that would not appear in this return at all.

Mr. KYTE: Mr. Shaver's name appears at page 32, replying to a communication addressed to him from the Department, W. J. Shaver.

By Mr. German:

Q. You say you had never seen Mr. Powell and did not know who he was?—A. No.

Q. Did Mr. Shaver inform you as to where he lived?—A. Yes sir. Mr. Shaver gave me his address. I made a note of his address at the time.

Q. You made a note of his address, and you had no conversation with Mr. Powell?—A. No.

Q. At any time?—A. No, not at that time, Mr. German, not for some time after.

Q. And did you know what the usual market prices for these articles were?—A. Well, no, I did not. A good deal of this stuff—

Q. Well, you did not, that is all?—A. Just a moment, sir, the reason I am looking for the list is, a good deal of this we had got from the other side previously from war office contractors. A good deal of this we had not bought in Canada at all, as I remember it.

By Mr. J. J. Hughes:

Q. What does the other side mean?—A. England.

By Mr. German:

Q. Did you write Mr. Powell when you sent him the requisition for supplies?—A. Yes.

Q. And you have got a copy of that letter?—A. Yes.

Q. That does not appear in this printed correspondence, but it can be produced?—A. Yes.

Mr. CARVELL: Would not the witness have the correspondence here?

The WITNESS: No, I have not. There is a file, in fact there may be two or three files, containing portions of this correspondence.

By Mr. Carvell:

Q. You do not know what the subpoena contained?—A. It did not ask me to produce any correspondence.

Mr. GERMAN: The subpoena did not contain anything about the production of papers because at the time it was not known what productions there would be, and as Mr. Brown lives right here in Ottawa I thought that when we found out what documents he had we could get them without any delay.

The WITNESS: There is no trouble getting the papers.

By Mr. German:

Q. There will be no trouble in getting the letters when they are wanted. You have letters from Mr. Powell, I suppose?—A. Yes, not many. There will be a few, but not very many.

Q. They can all be examined here by the Committee?—A. Yes.

Q. Then you say there was nothing as to price mentioned between you and Mr. Powell at all?—A. No, between Mr. Powell and myself, no.

Q. Up to the time the goods were supplied?—A. Well, the dealings by conversation were with Mr. Shaver, and there was discussion more or less with Mr. Shaver as to prices, but there was no agreement come to about prices.

Q. What was the discussion then as to prices?—A. Well, as far as the dressings are concerned, the field dressings, I knew that we had been buying them, and I was trying to get Mr. Shaver to agree to a price for this lot. He would not do it, he refused to do it. Indeed he went—he was in more than once—and he communicated with Chicago, his head office is Chicago, by telephone, I believe. He came back finally and said he could not do it because of the special conditions. He mentioned that. Finally he said that he thought it would be something about 18 cents, but he would not guarantee that, he said he could not say.

Q. Why could not he supply the dressings to the Department as well as supply them to Mr. Powell?—A. There is no reason. I understood at the time Mr. Powell was merely Bauer & Black's representative here in Ottawa.

Q. I would like to get something further about your conversations with Shaver. Was there anything said about the amount of profit or loss that would be involved in the sale of these?—A. No.

Q. So that you absolutely then went blind, so far as your order for these goods was concerned? You did not know what they were going to charge for them, but you were going to pay any price they charged you?—A. Well, that is not at all the custom there in that office, but the circumstances were very unusual. This was in the early days, very shortly after the outbreak of war, and rightly or wrongly all the officers there in the Department, the requisitioning officers, the officers who are responsible for the supply of equipment and the supply of the troops, were under the impression that there was not a moment to lose, and they were putting the strongest pressure on the buying office to get these goods through as fast as possible. Now, in this particular case, that is in medical supplies, these are very technical, and we depend, the buying office depends, very largely on the medical men themselves. We have got to depend on them.

Q. Wait a moment, Mr. Brown. You are giving us a lot of information which I think is no information at all. It is something at any rate that I do not want. If the Committee does, it can encumber the record with it. You surely do not suppose that you were to go ahead and buy whatever was wanted irrespective of price, did you?—A. No sir, Well, I was to—

Q. You had been buying for the Department this same class of goods prior to that?—A. Buying for the most part in England, yes.

Q. And you knew what the prices should be according to the prices you had been paying?—A. Yes; they were not a very good guide in this case because—

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By the Chairman:

Q. Just one moment: Why, Mr. Brown?—A. Because the patterns in many cases were entirely different. Take the field dressing, it was an entirely different dressing. The American manufacturers would be unfamiliar with our patterns and they would require a bigger price on that account.

Q. Would there be anything in the question of the price of cotton used in it?—A. Yes, there would be a great deal of cotton in it.

Q. And would the market affect the price?—A. Yes, prices did go up very sharply, they were very panicky for a while, yes.

Q. I do not quite understand this list of supplies. Is this list on page 24 of the Return picked out of a bigger list, or does it cover everything that you got?—A. No, sir, it does not.

Q. It is a selected list, is it?—A. That, as I understand, is a price list made up in the Auditor General's office, taken from the invoices of Mr. Powell. I could not say whether that covers everything or not.

By Mr. German:

Q. There is a statement in the correspondence, or at any rate it has been published, that Mr. Powell was to have a profit of 5 per cent?—A. Yes.

Q. You wrote a letter of that kind to the Auditor General?—A. Yes, that letter begins at page 22.

Q. Why did you suggest in that letter that the profit was to be five per cent?—A. I think that letter explains the facts. Part of the reading of that letter is, if you will allow me, I say (reads):

"Eventually, Mr. W. F. Garland, M.P., called to see me, and said the price would be cut down to 21 cents, but that that was the utmost reduction he or you could make, since, at that rate, you got barely five per cent on your expenditure."

That is where this thing first came in, it was on Mr. Garland's assurance to me. That is in my letter to Mr. Powell of January 26, 1915.

Q. That 5 per cent was to be the profit that Mr. Powell was to get on the sale of these goods to the Department?—A. That is right, yes.

Q. So that is the only knowledge as to the five per cent profit which you had in connection with the whole transaction?—A. Yes.

Q. And that came from Mr. Garland?—A. Yes, that was some time afterwards.

Q. If these prices as shown in the list on page 24 are correct, the profit would be nearer fifty than five per cent, would it not?—A. That letter refers only to the field dressings; my letter from which I have just quoted is about field dressings only, and does not refer to miscellaneous supplies.

Q. What quantity of field dressings did you purchase?—A. I think this letter says 67,200; I think they were supplied in two lots, I am not sure.

By the Chairman:

Q. It says here, "later on repeat orders for 37,200 more"?—A. Yes, later on there were 37,000, the first order was for 30,000.

By Mr. German:

Q. In this list of goods shown on page 24 are there any field dressings?—A. Yes (reads): "first field dressings sixteen and twenty one cents" on page 24 the sixth line from the bottom of the list.

Q. Then field dressings are what you call bandages, are they?—A. Yes, it is a dressing compressed into a very small parcel, done up in such a way that it can easily be carried. The American dressing is done up one way and the British or Canadian dressing is done up another way, but it is a dressing which is very much compressed so as to be easily carried.

By Mr. Carvell:

Q. What is it? Just ordinary sterilized cotton?—A. Something of that sort.

By Mr. German:

Q. So then, as far as the order to Mr. Powell is concerned, that will be practically all you know about it?—A. Yes.

Q. You sent the requisition by letter and you got a letter from him which can be produced?—A. Yes.

Q. All the correspondence can be produced?—A. Yes.

Q. And that ended your connection with it until your notice was drawn to it by the Auditor General?—A. Yes.

Q. And you wrote this letter to him on the 26th of January?—A. Yes.

Q. Was that your first letter to Mr. Powell or to the Auditor General in reference to the matter?—A. I think it was, I am not quite sure, but I think it was.

Q. These letters are put in here in such a jumbled condition that it is difficult to see what correspondence there is?—A. Yes, I think that is the first letter. I know there was some weeks' delay, because before writing this letter it was necessary to look up a good many papers, and partly because we were very busy, and I had not been able to get round to it.

Q. At the next meeting I would like you to produce the correspondence you had with Mr. Powell—A. Would those be the originals or copies?

Q. Copies—A. When will the next meeting of the Committee be held?

Q. Not before Monday, I suppose.—A. All right, sir, I will get them ready.

Q. Leaving that subject for a moment, did you have the purchasing of motor trucks and tires?—A. Well, no, the orders went out over my name, but the business, the buying, the purchases were actually not made by me. You are speaking now of the First Contingent?

Q. Yes. By whom were they made?—A. By Mr. T. A. Russell.

Q. Who is Mr. T. A. Russell?—A. He is from Toronto, and he was engaged by General Hughes to do this work.

Q. He was engaged directly by General Hughes?—A. Directly by General Hughes.

Q. Is he connected with a motor factory?—A. With the Russell Motor Company, I think.

Q. The Russell Motor Company of Toronto?—A. Yes.

Q. Mr. T. A. Russell?—A. Yes.

Q. Did he purchase all the motor trucks?—A. All the motor trucks, yes.

Q. What about the tires?—A. And all the tires.

Q. For the First Contingent?—A. Yes, the purchases were made by him and the confirming letters were sent out signed by me; simply notifying the firms concerned that the transaction was approved by the Department, that is all.

Q. So that there would be a confirmatory letter from the Department?—A. Yes.

Q. To the manufacturers from whom these goods were purchased?—A. Yes.

Q. That the Government were responsible for the payment of them?—A. Yes.

Q. And those letters, or copies of them, can be produced here?—A. Yes.

Q. And the bicycles, were they purchased the same way?—A. Well, not the bicycles. I do not think they were bought by Mr. Russell, they were bought by me.

Q. Were they bought by you?—A. Yes.

Q. All of them?—A. Yes.

Q. For the First Contingent?—A. Yes.

Q. And for the Second Contingent also?—A. Yes, the bicycles for the Second Contingent were bought by me.

Q. So that, so far as the motor trucks, the tires and the bicycles were concerned, Mr. Russell purchased the trucks, the tires and their equipment?—A. Yes.

Q. And you purchased the bicycles?—A. Yes.

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Q. And you can produce all the correspondence referring to that?—A. Yes. That is rather a large order. I am afraid I could not get it in time for the next meeting, there is a great deal of it.

Q. Well, perhaps not. What about horses?—A. I know nothing about them at all.

Q. Through whom were the horses purchased?—A. I could not even tell you that; I do not really know. There is no use asking me about that.

Q. What about the oats, hay, etc., for the horses?—A. They were bought in my office.

Q. By contract?—A. Yes.

Q. Tender?—A. Yes.

Q. Tenders were asked for?—A. Yes.

By Mr. Kyte:

Q. Who certified to these accounts for the motor trucks as being "fair and just"?—A. Well, the certificate was signed by me, that is a matter of departmental routine more than anything else, but after we got Mr. Russell's O.K. to the account. My certificate was more a matter of form than anything else.

Q. You simply put a rubber stamp on it, so to speak?—A. Yes, we got Mr. Russell's certificate as to delivery and as to the price as well.

Q. Mr. Russell fixed the price when he made the purchase, and you merely recognized the order by placing a rubber stamp on it?—A. I should not say that. The terms, the prices, of course in every case, are contained in the order given to these companies; we could check the price all right in certifying to the accounts in the Department; it was possible to check the price from the order given to the company. You see the order I sent out for the motor trucks in the first place would contain the price, the company delivers the trucks and then they send in their bill, and the bill should agree with the order; that is the whole story.

Q. But who fixed the price?—A. The purchases were made by Mr. Russell.

Q. That is what I say, Mr. Russell fixed the price?—A. He did the buying.

Q. Were any of these trucks purchased from Mr. Russell's company?—A. I could not say. I think there were some. I am not quite sure.

Q. You do not know how many?—A. I do not know, the papers will show that.

Q. Did they supply the tires also?—A. I would be speaking from memory, I do not really know; but the papers will show.

By Mr. Carvell:

Q. When you come back with the information regarding the field dressings, can you also bring with you one or more invoices for dressings purchased in Great Britain through the War Office?—A. Yes.

Q. And can you also bring invoices of dressings of approximately the same quality and size as those which were purchased from Mr. Powell?—A. Oh, yes; they would be the same. He bought from Bauer & Black, and that was one of the reasons they wanted a bigger price. We bought from Bauer & Black dressings of the War Office pattern, and their objection was that they had been supplying the United States War Department with dressings of a different pattern, an entirely different pattern. They claimed that this was a special order, that it would cost them more, and they would want a different price.

Q. An hon. member asks what is the pattern. The pattern means, as I understand it, the form of the package?—A. Yes, that is it. The American is done up in a little tin box.

Q. I should judge from the correspondence there is a difference in the form of the box used by the American Government and the British Government?—A. The British, I do not think, as I remember it, there is no box at all, it is compressed. It has a little waterproof cover, or something of that sort. The American is in a tin box.

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Q. You can bring the different invoices so we can have a comparison?—A. Yes.

Q. Who is this firm of Bauer & Black?—A. I never heard of them before last August. We never had occasion to deal with them. But I understand they are manufacturers in a large way in Chicago.

Q. Have you not since learned that they are perhaps the largest manufacturers of this class of goods in Chicago?—A. They are a very big firm.

Q. Well known all over the country?—A. They are United States army contractors. But the reason we had no occasion to know them was that we bought all this stuff hitherto from the other side, England, the War Office pattern.

Q. I would take it from the evidence you have given that you were practically directed by the—I do not know the military term—some medical official in your Department to purchase these supplies from Mr. Shaver?—A. Oh, well, that is what it was really. Colonel Jones said, in effect—these supplies were for Colonel Jones' services—he said in effect: I have arranged this thing; I want these supplies; I have made inquiries and find that I cannot get them anywhere else in the time, and the time is very essential now. Go ahead and do the formal part of it. That is really what it amounted to.

Q. Did Colonel Jones also tell you that he arranged the question of prices?—A. No. I asked him about prices, and he said, well, we will have to let it go, we have not the time, well, perhaps—

Q. The word "emergency" covers a multitude of sins?—A. That is the whole story. Everybody was panicky then.

Q. Everything goes back now to the word emergency.—A. This particular first requisition of Colonel Jones covered a very wide variety of stuff, oh, a lot; and we had not the time to go into things.

Q. When Mr. Shaver appeared before you then, I take it from the correspondence that he was accompanied not by Mr. Powell but by Mr. Garland. That is correct?—A. Yes, sir.

Q. Did Mr. Garland have anything to say about the giving of the order?—A. I could not say as to that. I do not remember that he did. It was Mr. Shaver, I think, spoke about Mr. Powell.

Q. Did Mr. Garland have anything to say at all?—A. It is seven months ago, I could not say. I remember Mr. Garland introduced me to Mr. Shaver. I had never seen him before. He sat there while we talked. I do not know how much he had to do with the conversation.

Q. Did you ask Mr. Shaver or Mr. Garland who was Mr. E. Powell?—A. No.

Q. You asked for Mr. Powell's address?—A. Yes, I got it.

Q. Did they tell you he was a clerk in Mr. Garland's drug store?—A. No.

Q. That was not indicated to you at the time?—A. No.

Q. There was some correspondence between you and Mr. Powell, dated 1st September—I am reading now from page 22. The letters seem to be all mixed up in this book. However, there is one on the 1st September from Powell to you; and one on the 3rd September; and there is one to Mr. Powell on the 28th October.—A. Well, no, that is to Mr. Powell from Mr. Shaver.

Q. Oh, yes, that is Mr. Shaver. I see. Now, at some later date in the negotiations Mr. Garland appeared before you?—A. Yes.

Q. As you say: "Eventually, Mr. W. F. Garland, M.P., called to see me." Was that after you had the correspondence with Mr. Powell?—A. Yes. It is after these two letters of Mr. Powell's of the 1st and 3rd of September.

Q. That Mr. Garland called?—A. Yes.

Q. Up to that time had Mr. Powell come to see you?—A. No.

Q. Did Mr. Powell ever come to see you?—A. Yes, in January.

Q. Not until January? Was that after you wrote the letter demanding the refund of something like \$2,800?—A. Well, I do not know whether it was before or after, some time in the month of January. Mr. Powell called to see if his bills would be paid.

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Q. That is the first time you had ever seen Mr. Powell?—A. Yes. —

Q. How many times had you discussed this matter with Mr. Garland up to that time?—A. A number of times, I could not say how many. He was in the office a number of times.

Q. Discussing this very question?—A. Yes, excuse me, the question of the payment of the account, do you mean, or the whole business?

Q. Any way you put it?—A. In connection with this buying, Mr. Garland was in there, well, I remember three times at least, and it may be half a dozen, I do not really know.

Q. Do you remember whether or not he was there in connection with the payment?—A. Well, my letter of the 26th January, I say he called to see me, and he stated the price would be cut down to 21 cents.

Q. Did Mr. Garland on that occasion assure you that the price of 21 cents for these dressings left only 5 per cent profit for Mr. Powell?—A. Yes.

Q. Was it on the strength of Mr. Garland's assurance to that effect that you passed the account at 21 cents?—A. Yes.

The CHAIRMAN: Mr. Carvell, I do not like to interject anything, but I do not see Mr. Garland here.

Mr. CARVELL: That is his fault.

The CHAIRMAN: It is his fault; but Mr. Maclean, the junior member for Halifax, stated at the last meeting of this Committee that there was no intention, as I understood it, of going into anything reflecting on Mr. Garland; and that he practically gave Mr. Garland notice that he need not hang around here.

Mr. CARVELL: I gave him notice that he had better hang around.

The CHAIRMAN: I have only had the other statement.

Mr. CARVELL: I am not responsible for Mr. Maclean.

The CHAIRMAN: You will pardon me for interjecting. I thought it was only fair to Mr. Garland that if there was anything gone into he should be here.

Mr. CARVELL: You were here the other day. You heard what I said.

The CHAIRMAN: I did not hear anything you said. At least, it has not impinged on my mind.

Mr. CARVELL: Perhaps I am not as important as the hon. member for Halifax.

The CHAIRMAN: Oh, yes, you are, in the estimation of a great number of people.

Mr. CARVELL: I certainly told Mr. Garland that we did not intend to attack his seat in Parliament, but that he must not take it for granted from that that we would not ask any questions that might affect him in the matter.

The CHAIRMAN: That is all. I think I have done what is fair to Mr. Garland. I suppose you all want the Committee to be conducted on fair lines. That is what I am here for.

Mr. CARVELL: Certainly.

By Mr. Carvell:

Q. You have told me, I think, when this little interruption took place, that it was on Mr. Garland's assurance that 21 cents would give a 5 per cent commission that you passed the account?—A. Yes.

Q. Did Mr. Garland come back to you again after that over the question of price?—A. My recollection is—here I am speaking of what I remember, this was some time back in December; I cannot say that it is absolutely true. But my recollection is that Mr. Garland came back at the time the Auditor General wrote his letter, or shortly after that. I spoke to Mr. Garland over the phone about it, and he came up. I spoke to him about the Auditor General's letter. I think I showed it to him, but I told him the substance of it anyway. And Mr. Garland assured me then that all Mr. Powell got was 5 per cent and he said a little more because he got a small discount for cash. He said he got that in addition to his 5 per cent.

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Q. At that time did you show Mr. Garland the letter of the Auditor General with reference to field dressings that they were purchased for 16 cents and sold for 21?—A. I am not sure that I showed him the letter; I am not sure that I showed him the letter. I spoke—my recollection is—I spoke to Mr. Garland, the letter may not have been there—and told him what the—

Q. What, the Auditor General?—A. —had taken exception to this. I do not even remember that I gave him the exact price of 16 and 21 cents. But my recollection is I spoke to him of the Auditor General's taking exception to this price, and he said the prices were fair,—well, that there had been this commission of 5 per cent, and that Mr. Powell had beside made a little additional by paying spot cash.

Q. I would take it from your evidence it is your opinion you did not show him the letter?—A. No, I do not think I showed him the letter.

Q. Come back now to the occasion when Mr. Garland and Mr. Shaver called upon you. Was anything discussed other than these field dressings?—A. Well, they called more than once.

Q. Well, pardon me—A. Well, the call they made, to which reference is made in this correspondence, they did not discuss anything but field dressings as far as I know.

Q. On any other occasion when Mr. Garland and Mr. Shaver called upon you at the time of the inception of this business, was there anything else discussed other than field dressings?—A. Well, there was another order given to Mr. Powell for these other supplies shown on page 24. That order was given some days earlier, at least that is my recollection.

Q. Earlier than the dressings?—A. Yes.

Q. All right.—A. A good deal the same thing was done, that is they were sent over to me by Colonel Jones. The two of them came over and discussed the supply of these—

Q. Different articles?—A.—these things and it was more a question of delivery than anything else. I asked them to give me a price at the time, rather, I say I asked them, I asked Mr. Shaver, and he said that he could not at the time, that he was not in a position to give us prices.

Q. Did you discuss the specific articles you wanted to purchase?—A. We had the list before us.

Q. There is no question you knew what you were talking about?—A. Yes, sir, and he knew.

Q. You asked him for prices and he could not give them to you?—A. Yes, sir.

Q. Did he quote you an approximate price in any one of these items?—A. No, he did not. But an estimate had been made by Colonel Jones on his requisition which he sent over to me. He made a requisition specifying exactly what he wanted, and the quantities of each item; and he estimated the cost of the whole to be so and so, whatever it was. That is shown on the requisition which is in the papers.

Q. Do you know whether the invoice, as sent you later on, at all corresponded with the estimate of Colonel Jones?—A. I cannot tell you, because it would not be one invoice; there would be a number.

Q. Can you bring to the next session of the Committee Colonel Jones' requisition containing the estimate and also the invoices?—A. Yes; it may mean a few days' delay, because, as I say, there are quite a lot of papers.

Q. Are you sufficiently acquainted with this class of goods to know whether, say, gauze absorbent, or plain gauze, or compounded gauze, is a common article of commerce?—A. No, I am not; I do not know.

Q. You do not know whether they would have to be specially manufactured?—A. No, I should suppose that since this is bought for the hospitals and military hospitals, it is an ordinary article of commerce for the most part.

Q. Take bandages?—A. Yes.

Q. Would that not be an ordinary article of commerce?—A. In a sense it would. I should suppose that would be supplied to hospitals generally.

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Q. There would be no difference between a bandage used in the army and a bandage used in the hospital, would there?—A. There would be in some cases. First field dressing is a technical thing; you won't get it in hospital at all. That is not an article of commerce.

Q. I was taking the remainder of the list?—A. I should not like to say; I should not like to give an opinion. It may be that a number of these are special articles; I really should not say.

Q. You do not know?—A. No.

Q. You do know that you gave this order without even obtaining prices?—A. Yes.

Q. Have you at any time asked Mr. Powell to refund any portion of the moneys paid him on any articles other than field dressings?—A. No.

Q. Have you ever been asked to make that request from him?—A. Well, I am not sure whether the Auditor General's letter asked for that or not; unless that letter did ask, I have not asked.

Mr. CARVELL: We will read this letter, which is on page 24 of the correspondence brought down:—

AUDITOR GENERAL'S OFFICE.

November 26, 1914.

The Deputy Minister of Militia and Defence,
Ottawa.

SIR,—I have received from your department accounts amounting to \$11,863.50 paid on 10th September, 1914, and \$6,300 paid on 16th September, 1914, for medical supplies received from E. Powell. These accounts are certified "prices are fair and reasonable." I find that these goods could have been purchased for 40 to 60 per cent less from the regular wholesale trade and think that an order amounting to over \$18,000 should not be paid at retail prices.

I have to request that you will let me know on what grounds the certificate is made that the prices are fair and reasonable, and if any steps were taken to obtain more reasonable prices.

I am, sir,

Your obedient servant,

J. FRASER,
Auditor General.

By Mr. Carvell:

Q. I do not see any answer to that letter?—A. There is an answer; at least I think there is an answer.

The CHAIRMAN: There is a letter on page 20.

WITNESS: That is the only answer, Mr. Carvell; the letter of January 27.

Mr. KYTE: On page 24 there is a letter addressed to J. W. Borden, Esq., Accountant and Pay Master, Department of Militia and Defence, asking for a refund.

The CHAIRMAN: Do you not think, Mr. Carvell, that it would be proper to put that letter in at this point, in answer to the letter you have read? I think that should be done, in all fairness to everyone.

Mr. CARVELL: Certainly, I am perfectly willing, but the difficulty is that it is not an answer.

WITNESS: It is an answer to the greater part of that letter of the Auditor General's; that is to say, the field dressings form the larger part of that amount of \$18,000.

Mr. CARVELL: Do you mean the letter of 27th January, Mr. Chairman?

The CHAIRMAN: At the bottom of page 21.

Mr. CARVELL: I thought that you and the Witness were considering different letters.

Mr. BLAIN: The letter on page 20 is the real answer.

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Mr. CARVELL: Let us put that in then.

The CHAIRMAN: There is another one here.

Mr. CARVELL: Let us put in the letter of the 27th on page 20, and then the letter of October 28th on the next page. Then, as we are going to put them on the record, I would like to have the letter of the Auditor General of December 17, on page 24, also put in.

WITNESS: Just one thing about that letter of Mr. Fraser's. Mr. Fraser misunderstood the conversation, I think. He says:—

"From our conversation it would appear that he was to receive about five per cent profit on the transaction instead of about forty per cent."

He misunderstand what I told him, I think.

By Mr. Carvell:

Q. As you understood him, it only referred to field dressings?—A. Yes.

Q. Then, the only protest that you know of regarding the profits on everything in this account on page 24, other than the field dressings, is to be found in the letters of 28th October from Mr. Shaver to Mr. Powell, and the 27th January from the Deputy Minister of Militia to the Auditor General?—A. Yes.

By Mr. Blain:

Q. The protest from Mr. Garland is contained in his letter of the 28th. I think it should go in. It is on page 19 of the correspondance.

The CHAIRMAN: It is understood that those letters should go in the record as part of it.

Mr. CARVELL: That would properly follow the letter of Mr. Brown to the Auditor General.

The following letters were put in:—

TORONTO, Ont., October 28, 1914.

Mr. E. POWELL,
981 Wellington St.,
Ottawa, Ont.

DEAR SIR,—We beg to advise you that the difference in our prices for absorbent cotton, bandages, gauze and field dressings, that you recently purchased as against the prices paid for the same goods on former orders for the Government is based on the cost of raw material. On your first orders the prices were as low as we could possibly make at that time. We are pleased to be able to give you these price advantages owing to the big drop in price of raw cotton. No doubt the present low price for cotton will hold for some time.

Your very truly,

W. J. SHAVER,

Can. Representative.

AUDITOR GENERAL'S OFFICE. December 17, 1914.

J. W. BORDEN, Esq.,
Accountant and Paymaster,
Department of Militia and Defence,
Ottawa.

SIR,—I enclose herewith a list of prices paid by E. Powell for medical supplies for your Department and also the prices which he has charged for these goods. From our conversation it would appear that he was to receive about 5 per cent profit on the transaction instead of about 40 per cent. Please obtain a refund of the difference.

I am, sir, your obedient servant,

J. FRASER,

Auditor General.

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	Price paid by Powell.	Chgd. Dept.
Lint compound. 1 oz. pkt.	\$ 5½	\$ 10
Wool cotton absorb. compd. "	5½	10
" 2 oz. pkt.	10	15
Cotton in 1 lb. rolls. each.	32	50
Gauze absorb. sub. compd., 36 x 2½. . . per doz.	1 00	1 80
" " 36 x 36. "	3 20	4 20
" plain. 2½ yd. pkts.	19	30
" " compd. "	25	40
" " 5 yd. rolls. per doz.	4 20	6 00
" sublimated. 2½ yd. pkts.	33½	50
Silk oil. 5 yd. roll.	4 80	5 30
" 1 "	1 04	1 20
Ligatures catgut sterilized, 3 sizes in pkt.	15	22½
" silk braided "	18	30
Silkworm gut (100 strings).	50	75
Rubber drainage tubes, asstd. sizes.	3 20	3 20
" sterilized.	3 20	3 20
Bandages, 2½-inch by 6-inch, compd.. . per gross.	8 00	12 00
" 5-inch x 6-inch, compd.. . . . "	8 40	12 00
" white flannel, 3-inch. per doz.	4 40	8 00
" flannel gauze compd., 3 sizes, per gross.	8 00	12 00
" triangular, compd.. . . . per doz.	1 27	1 50
First field dressings.	16	21
Plaster of Paris, 3-inch indiv. pkg. . . per doz.	2 56	4 00
Plaster adhesive, zinc, 1 x 10 yd. spools. . each	52	70
" " 2 x 10 "	72	1 00
" moleskin. per yd.	42	70
Surgeons needles, straight. per doz.	25	50

DEPARTMENT OF MILITIA AND DEFENCE, OTTAWA, January 27, 1915.

The Auditor General, Ottawa.

SIR,—I beg to acknowledge receipt of your two letters of the 26th November and 17th December last, in which exception is taken to payments made to E. Powell for first field dressings, and other medical supplies, purchased for the 1st Contingent. Mr. Brown, Director of Contracts, by whom these orders were given, makes the following statement with regard to these accounts:—

"The first requisition for field dressings was made by the Director General of Medical Services on the 22nd August, when 30,000 field dressings were demanded. This requisition was accompanied by the following note: 'Herewith service requisition for 30,000 first field dressings, to be supplied by Messrs, Bauer, & Black, Chicago. Kindly rush this order.' I was told by telephone that these field dressings should be available at the latest within two weeks; and that Messrs. Bauer & Black's representative was in Ottawa at that time; that enquiry had been made and it was found that no other source of supply was available. I was requested to make arrangements with Mr. Shaver, Bauer & Black's agent, with as little delay as possible, as the necessity for the dressings was most immediate and pressing.

"Prior to this, it had been the practice to procure these dressings from British manufacturers, S. Maw & Sons, who are contractors also for the British War Office.

"On or about August 24, Mr. W. F. Garland, M.P., and Mr. Shaver of Toronto, representing Messrs, Bauer & Black, called to see me and we discussed
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prices, deliveries, etc. I asked Mr. Shaver to quote a price which he declined to do until he had telephoned Chicago. Later on, he answered me that his head office would not make any certain price, because the time given them was so short that they might have to work overtime; and the militia medical staff insisted upon the War Office pattern of dressings, which was different from the American package. Mr. Shaver said, moreover, that Bauer & Black were contractors for the American Government for the supply of field dressings and could give prompt and early delivery of the United States Army dressing at a much lower price; but that this was not so satisfactory to Colonel Jones and his staff. Pressed to give a price, Mr. Shaver said he thought it might be about 18 cents, but this he would not guarantee.

Mr. Shaver, moreover, informed me in the presence of Mr. Garland, M.P., that Mr. E. Powell, of Ottawa, was the Ottawa representative of Bauer & Black; and that he wished the order to be given Mr. Powell in that capacity.

"We had never had any dealings with Bauer & Black before, so far as I know, as all supplies of this kind had hitherto come from British sources.

"In accordance with Mr. Shaver's instructions, the order was given to Mr. Powell, as representing Bauer & Black, Chicago.

"The dressings were delivered within a short time; and subsequently, repeat orders were given under much the same conditions. In each case, immediate delivery was insisted upon, the time was very short and the British or other sources of supply were not available.

"During September, Mr. Powell sent in several bills for these dressings, at 23 cents. I refused to certify them for payment, as the price was exorbitant and not in accordance with the understanding with Mr. Shaver; who, although he had not promised anything definite, had held out some expectation of being able to supply at 18 cents. I afterwards sent Mr. Donaldson of my office to Powell to get some information; but without much result.

"Subsequently, Mr. Powell reduced his price from 23 cents to 21 cents, but I refused to certify the accounts at this price. Finally, Mr. W. F. Garland, M.P., called and discussed the matter with me; and assured me, with some emphasis, that Mr. Powell at 21 cents was making only 5 per cent on the cost of the dressings. Mr. Garland, M.P., made the statement more than once and emphatically. Upon the strength of his assurance that this was so, I certified the accounts as fair and reasonable."

It appears from the list enclosed with your letter of the 17th December, that Mr. Powell's profit on these field dressings was not 5 per cent, but 5 cents each; or 31½ per cent not 40 per cent as stated in your letter.

I beg to enclose copy of letter sent by Mr. Brown to-day to Mr. Powell, calling for a rebate of \$2,822.40, representing the difference between the 5 per cent which Mr. Garland said Mr. Powell was getting, and the 31½ per cent which Mr. Powell actually made.

You will observe from Mr. Brown's letter to Mr. Powell that the Department still owes Mr. Powell six different bills for supplies, aggregating \$2,601.77; and that it is proposed to withhold payment of these bills, until Mr. Powell has made a refund of the amount reclaimed.

I am, sir, your obedient servant,

EUG. FISET, Surgeon General,

Deputy Minister of Militia and Defence

NOTE.—I also enclose copy of letters from Mr. Powell, dated September 1, and 3, and copy of one from Bauer & Black, dated October 28.

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OTTAWA, ONT., January 28, 1915.

Mr. H. W. BROWN,
Director of Contracts,
Militia Department,
Ottawa.

DEAR SIR,—Mr. E. Powell has shown me your letter of the 26th January, making certain complaints as to the prices charged and paid for some field dressings—British War Office pattern, which Mr. Powell has supplied to the Militia Department as agent for Messrs. Bauer & Black, of Chicago.

The letter contains considerable reference to myself, and you go so far as to intimate that I had an interest in the profits of this order, and further, that I had misrepresented to you what these profits were.

I say to you now in the plainest language that can be used, that your insinuations are false and cowardly, and I say further that I made no representation of any sort as to these profits, and you know that I did not. I will await with interest your attempt now to establish that I had any interest whatever in Mr. Powell's order.

I recommended Mr. Powell to your department and on his behalf requested that he receive consideration in this matter and, having some knowledge myself of this class of business, I urged the price paid by your department—21 cents—as fair and reasonable under the circumstances, and my position in all these matters I am prepared to defend at any time when called upon, and have nothing whatever to conceal.

I at no time stated that the profit was only 5 per cent, or anything of that kind. So far as I know the department purchased with full knowledge of what they were getting, and paid accordingly.

It will be, of course, for Mr. Powell, and not for me, to take up with the department the question as to whether or not he should be paid for the balance of the goods he has supplied, which supplies I understand were made after open tender.

Yours truly,

WM. F. GARLAND.

By Mr. Blain:

Q. When Mr. Shaver and you were in conversation, you pressed him for a fixed price, did you not?—A. I did; I tried the best I could to get a price from him.

Q. What was his reply to your request??—A. His reply was that the order was a special one that his firm were very busy on other Government orders, that they were working twenty-four hours a day. They rather made a favour of taking this order at the time, and under those conditions, as the pattern of the field dressing particularly was a strange one to them, and they were really not in a position at that stage to figure out what their cost would be. He went to the trouble to telephone to Chicago. I asked him to get news first hand from Chicago to see what they could do, and he went away and came back and told me this, told me that they would not give us any price at all.

Q. Those were the reasons?—A. Yes. That did not apply to the same degree, at least the same reasons did not apply to the other order. It did in some senses. Those larger orders came that time not only for the field dressings, but for the other supplies. They were tied up with a great deal of work, and they affected not to do the work.

Q. You had purchased before in England?—A. At that time there was no boat sailing from the other side or sailing from here. There were no boats leaving Montreal at all, or coming from the other side.

Q. The firm were requested to supply those goods very quickly?—A. Oh, yes, they did. My recollection is that their deliveries were prompt, very satisfactory.

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Q. I notice in Garland's letter, on page 20, he says:—

"It will be, of course, for Mr. Powell, and not for me, to take up with the Department the question as to whether or not he should be paid for the balance of the goods he has supplied, which supplies, I understand, were made after open tender."

What has that open tender got to do with it?—A. We bought supplies later on from Mr. Powell, after tenders had been obtained. Those few orders in the early days were very exceptional. Later on, when we had a little more time—although we never had very much—we got tenders. Later on the medical officers of the Department allowed us to buy an American or Canadian pattern of field dressing, rather than insist on the War Office pattern as they did at first. Conditions changed very much later on.

Q. Did you buy them cheaper then?—A. Oh, yes, because it was a different pattern of dressing. It was something these people could make up very easily. They had more time; prices had dropped, and we bought those field dressings for some fifteen or fifteen and a half cents.

Q. In the order given to Powell, you were as diligent in trying to purchase the goods as cheaply as possible as you were in every other purchase that you made?—A. Well, in the time I had, I did what I could; or at least what I thought I could. I had not very much choice, because all the preliminaries had been arranged by Colonel Jones. He had seen those people; he discussed the whole thing with them, and eventually he sent over this big request.

Q. And it was practically arranged?—A. Yes, he said give the order to those people; get it as fast as you can.

Q. Colonel Jones was responsible for the purchase of those supplies from this firm, more than you were?—A. Well—

Q. You had instructions, I mean, to purchase from this Department, to close up the order and get the goods as quickly as possible?—A. Yes.

By Mr. Kyte:

Q. Did your Department have any other dealings with Mr. Powell besides the supplying of this order?—A. Oh, yes, orders have been placed with Mr. Powell since that.

By Mr. German:

Q. I understood you to say that Mr. Shaver told you in your first conversation that they could not supply these goods as quickly as you wanted them?—A. Oh, no, he made some difficulty about it. He did not say that they could not, but he said it was difficult for them to do it.

Q. He made a difficulty about it?—A. Yes.

Q. And then he referred you to Mr. Powell?—A. Yes, as their agent here.

Q. And Mr. Garland was with him at that time?—A. Yes.

Q. And it was because Mr. Shaver referred you to Mr. Powell that you went to Powell?—A. Yes.

Q. That is what I understood. And how long after your conversation with Shaver was it that Powell supplied the goods?—A. After my conversation with Shaver?

Q. Yes?—A. It was to be, I think, within two or three weeks, possibly less than that time.

Q. So it was prompt delivery?—A. Oh, it was good delivery.

Q. Instead of being prompt delivery directly from the Company to the Department?—A. Yes.

Q. It was prompt delivery from the Company to Mr. Powell?—A. Yes.

Q. Why did you not buy the goods direct?—A. I took it for granted at the time that Mr. Powell was simply managing their business here just as Mr. Shaver was in Toronto.

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Q. The Canadian representative?—A. Yes.

Q. And you thought he was the Ottawa representative?—A. Yes.

Q. And don't you think you could have sent a letter or requisition direct to Chicago and procured these goods?—A. It might be or might not. I don't know what their arrangements are. I don't know how Bauer & Black sell. They may have agreements with their Canadian representative which would forbid their doing that, I do not know.

Q. Well, Mr. Shaver was their Canadian representative?—A. Yes.

Q. And he was here?—A. Yes.

Q. And he requested you to give this order to Mr. Powell because Mr. Powell was their Ottawa representative?—A. Yes.

By Mr. Fripp:

Q. I do not quite understand your reference to the price, the difference between eighteen cents and twenty three cents, as being 5 per cent.—A. Sixteen and twenty one.

Q. How could you have been deceived by that? You must have received these goods with the invoices shortly after the order was given.—A. Yes.

Q. And I see by this letter of September 1st that Mr. Powell points out that the price would be 23 cents?—A. Yes.

Q. That means 23 cents a package?—A. Yes.

Q. You cannot have been deceived on that.—A. On what?

Q. The difference between 18 cents, which you understood from Shaver would be the price, and 23 cents which Powell said he was going to charge.—A. Oh, no.

Q. Then, why do you say—A. I think you misunderstand. I supposed that the time this order was given to Mr. Powell, that Mr. Powell was there simply as a representative of Bauer & Black, that we should not pay, that we were not going to give, an order to Bauer & Black at 23 cents, and give Mr. Powell 5 cents on that. There was no understanding there about commission. We didn't know anything about commission at all. For all I know Mr. Powell was getting paid by the year.

Q. In your letter of the 26th January you say that the price was cut down to 21 cents. You knew long before that that the difference was not 5 per cent?—A. Oh, no, I did not know anything of the sort.

Q. Did you not receive the invoices with the prices marked on them?—A. I got Mr. Powell's invoices at 23 cents. That is the only invoice I saw. I did not see any invoice of Bauer & Black at 16 cents, nor at 18 cents either. I only saw Mr. Powell's invoice at 23 cents, that is all.

Q. The 18 cents was considerably lower than 5 per cent?—A. Yes. That is the very reason I took exception.

Q. Are we to understand that it was impossible to buy these supplies from any other firm than Bauer & Black?—A. At that time.

Q. You were practically at their mercy as to what charge they could make?—A. We had to do the best we could. That is all we did.

By the Chairman:

Q. Were these the prices obtained from the customs invoices?—A. The goods would be invoiced to Mr. Powell by Bauer & Black.

By Mr. Bennett (Simcoe):

Q. Was there a time limit on the delivery? I see that at page 20 of the printed correspondence you say this (reads):—

"The first requisition for field dressings was made by the Director General of Medical Services on the 22nd August, when 30,000 field dressings were demanded. This requisition was accompanied by the following note: 'Here-with service requisition for 30,000 first field dressings to be supplied by Messrs. Bauer & Black, Chicago. Kindly rush this order.' I was told by telephone that these field dressings should be available at the latest within two weeks."

Mr. H. W. BROWN.

Now, was that a term of the contract?—A. No. I looked up the order, Mr. Bennett, and I think it said "the earliest date possible." In conversation with Mr. Shaver I impressed upon him as strongly as I could the necessity of getting these within two weeks, and less time if possible, the very shortest possible date, because Colonel Jones would hardly give us two weeks. He wanted these stores if he could get them, immediately, in the very least possible time.

Q. You knew at the time that they had an agency in England for these supplies, did you not?—A. Bauer & Black?

Q. Yes?—A. No, sir.

Q. Let me draw your attention to a letter dated September 3, written by Mr. Powell to you. It is to be found at page 22 of the printed report (reads):—

"The firm was very loath about making this order at present at all, as they had so many other large orders to attend to, one of about one-half million from their Bristow agency in Liverpool."

Is that the first intimation you had that they had an agency in Liverpool?—A. Yes, sir. Not only that, I do not think I ever read either of those two letters of Mr. Powell's until the time came for sending them over to the Auditor General. We were getting a tremendous mail at the time and it was quite impossible to read every letter that came in, and unless the thing was—well, wanted to be attended to at once, quite a number of these letters were allowed to stay. I do not think I ever read that letter until some time in January.

Q. Then it is correct that they had an agency over there which was meeting large orders?—A. Yes.

Q. Now, at page 20 I see an explanation given by you to the Deputy Minister, General Fiset, in which you said (reads):—

"Mr. Shaver said, moreover, that Bauer & Black were contractors for the American Government for the supply of field dressings, and could give prompt and early deliveries of the United States army dressing at a much lower price."

That would be the ordinary demands of the American Government, I presume?—A. Presumably, yes.

Q. For their regular army, such as they have?—A. Yes.

Q. Were the prices of the American dressing quoted to the Department here, do you remember?—A. No, I do not remember.

Q. Were samples of these dressings submitted, do you know?—A. They were not submitted to me, but I believe they were submitted to Colonel Jones.

Q. It was never definitely agreed then with Mr. Shaver that the price should be 18 cents?—A. No.

Q. You see the statement attributed to you by General Fiset (Reads):

"Pressed to give a price, Mr. Shaver said he thought it might be about 18 cents; but this he would not guarantee."

A. That is right.

By Mr. Carvell:

Q. Now, so far as you know, has either the Department of Militia and Defence, or the Auditor General, found fault with the prices charged by Bauer and Black when they sold these goods to Powell?—A. No.

Q. And your complaint is against the prices which Powell charged the Department?—A. Yes.

By the Chairman:

Q. You said a moment ago that the Department could not get these goods anywhere else. Is that your view at the time, or Colonel Jones'?—A. Colonel Jones'.

Q. And what is his official position?—A. He is Director General of Medical Services. It was for him that these goods were being supplied.

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Q. He is the man who ought to know?—A. Yes.

Q. Do you know now that there is on the continent of America a firm which could have supplied these goods other than the firm of Bauer and Black within the time?—A. There was at that time but they were not just ready to do it in the time.

Q. Then if they were not ready to do it there was no firm.—A. There was no firm at that time.

Q. Except the firm in Chicago.—A. That is what I am told by Colonel Jones.

By Mr. Fripp:

Q. I understand that these orders were given direct to Powell, not to Bauer and Black?—A. The orders were addressed to Mr. E. Powell, representative of Bauer and Black.

Q. So that the orders were given to him as representing Bauer and Black?—A. Yes.

By Mr. Douglas:

Q. When you gave Mr. Powell an order did you not get a confirmation of the prices from Mr. Powell?—A. In acknowledgment of the order?

Q. Yes?—A. Well, just a mere acknowledgment of the order delivered.

Q. You do not get a copy of the terms and everything else?—A. No.

Q. The same as any mercantile house would?—A. No, it is not usual with us.

By Mr. German:

Q. Did you have anything to do with the purchasing of table cutlery for the first contingent?—A. Yes.

Q. Did you purchase table cutlery?—A. Yes.

Q. From whom?—A. Well, I think there were three firms. I could not say off hand, Mr. German.

Q. Rogers & Company?—A. There is Rogers.

Q. The Meriden Britannia Company?—A. The Meriden Britannia Co., and Glashan. I think those are the three.

Q. Was this table cutlery purchased direct from these firms or through P. W. Ellis & Co.—A. Directly from those firms. The orders were given to those firms direct.

Q. And were orders given to P. W. Ellis & Company?—A. There have been orders given to P. W. Ellis & Company as well, Mr. Chairman. I think there were, but I could not say positively.

Q. And if there have, would the contracts be in the Department?—A. The papers would be there.

Q. A return has been asked for in the House of Commons showing the dealings with P. W. Ellis & Company, but it has not as yet been prepared.—A. We have lots of these returns to prepare but we are pretty well through. It is being prepared and will be brought down in a few days.

Q. Well then, binoculars. I see a letter here with reference to them. Where is the business place of those firms you mentioned?—A. William Rogers Company and Glashan Company, Niagara Falls; Meriden Britannia Company, Hamilton; and P. W. Ellis, Toronto.

By Mr. A. K. Maclean:

Q. Were there any binoculars purchased from the Keystone Supply Company, Ottawa?—A. Not by me

By Mr. German:

Q. Did you have anything to do with the purchase of binoculars?—A. Well, for the first contingent the binoculars were purchased by Mr. Mason of P. W. Ellis & Company.

Q. What is his first name?—A. I do not know.

Q. Have you got it in the office?—A. It would be in the Department.

Q. I suppose you could let me have his initials over the telephone if I called you up?—A. Yes.

Q. And you say he is an employee of P. W. Ellis & Company?—A. I think he is a member of the firm.

Q. And I see in a letter on page 17 of this Return certain inquiries about binoculars, a purchase from the Topley Company here in Ottawa?—A. From the Consolidated Optical Company, is it not?

Q. Is that the Topley Company?—A. No, that is a Toronto concern.

Q. The Consolidated Optical Company is a Toronto concern?—A. Yes.

Q. And the Topley Company is an Ottawa concern?—A. Yes.

Q. And Bausch & Lomb, who are they?—A. They are manufacturers, at Rochester, N.Y.

Q. You had nothing to do with the purchasing of those articles?—A. I had to do with the purchase of 1,000 binoculars mentioned in that letter on page 17. That was not for the first contingent. That letter on page 17 refers to that purchase of 1,000 binoculars from the Consolidated Optical Company of Toronto. The reference there to the buying of binoculars from the Topley Company is to a purchase that was made by Mr. Mason some time earlier.

Q. You knew that the Topley Company could furnish binoculars.—A. Yes.

Q. Did you apply to the Topley Company for a price?—A. You are speaking now of what time?

Q. At any time?—A. Yes, at one time we had quite a lot which we bought from the Topley Company.

Q. Would you be good enough to tell me what reason there was if any, for the P. W. Ellis Company, of Toronto buying binoculars for the Government from the Topley Company of Ottawa?—A. The binoculars for the first contingent were bought in a great hurry. It was supposed at that time there were only five or six weeks in which to get not only binoculars but supplies of all kinds. The minister authorized Mr. Mason to buy them, the difficulty was to get them at all.

By Mr. Carvell:

Q. Who is Mr. Mason?—A. Of the P. W. Ellis Company of Toronto. He got them wherever he could and in the best way he could in the time that was available. We had been buying these binoculars always before that from the War Office, we had not bought any American binoculars at all and the difficulty was to get binoculars of any kind at that time. The Minister appointed Mr. Mason to act as the buyer for the department as we were filled up with work and this meant making a great many inquiries, to find out where we would get glasses that would meet the requirements. The appointment of Mr. Mason had the advantage that it took the work off our hands and left the work to be done by somebody who would give all his time to it.

Q. That is an explanation more than an answer to my question, but it is all right. You know that binoculars could be bought from the Consolidated Optical Company in Toronto?—A. I did not know that until October.

Q. When did you purchase a thousand binoculars?—A. In the latter part of October.

Q. You knew the Topley Company of Ottawa supplied binoculars?—A. They are the representatives here of Bausch and Lomb, but I did not know at that time what they could do in the way of filling a large order.

Q. Were you requested to make inquiry at all as to the purchase of binoculars?—A. We made some inquiries the very first thing, as soon as the first requisition was made for binoculars, and it was then we discovered there was difficulty in getting them.

Q. From whom did the requisition come?—A. From the Quartermaster General.

Q. That was in writing?—A. Yes.

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Q. About what time, what was the date of that requisition?—A. There may be several of them, but it would be some time early in August, around the first of August.

Q. The first requisition was early in August?—A. That is my recollection.

Q. For binoculars?—A. Yes.

Q. To you, as the purchasing agent for the department?—A. Yes.

Q. Did you make inquiry as to the possibility of purchasing binoculars?—A. Yes.

Q. By whom were those inquiries made?—A. Inquiries were made by Colonel Hurdman, one of our inspectors, who inquired from the different firms; I could not tell you just what inquiries he made, but I know he did make some inquiries and discovered where these things could be got.

Q. What are Colonel Hurdman's initials?—A. G. W.

Q. And he is here in the department, is he?—A. Yes.

Q. You know he made inquiry, and how long after that was it you learned that Mr. Mason of the P. W. Ellis Company of Toronto had been instructed by the Minister to make the purchase of the binoculars?—A. Shortly after that.

Q. How long?—A. A day or two.

Q. How long was it after you had received the first requisition?—A. Well, just a few days.

Q. And before Colonel Hurdman had much time to make a very extended inquiry?—A. Of course Colonel Hurdman was pretty busy, like the rest of us.

Q. After that, so far as the purchase of binoculars was concerned, it dropped out of your attention?—A. So far as the supply for the First Contingent was concerned.

Q. You had nothing more to do with it?—A. No.

Q. Who informed you that Mr. Mason of the P. W. Ellis Company, Toronto, had been instructed by the Minister to make these purchases of binoculars?—A. I got instructions to that effect from the Minister himself.

Q. Did you get instructions in writing?—A. Yes.

Q. You have the letter?—A. Well, I have the letter ordering these binoculars from the P. W. Ellis Company signed by myself and approved by the Minister, embodying the arrangement that was made.

Q. You have the letter signed by yourself to the P. W. Ellis Company?—A. And authorized and approved by the Minister in writing.

Q. Then you must have been instructed by the Minister to write the letter?—A. Yes.

Q. To the P. W. Ellis Company?—A. Yes.

Q. When was that letter written?—A. About the time of this transaction.

Q. A copy of that letter can be procured?—A. Yes.

Q. That letter was written by instructions of the Minister?—A. Yes.

Q. It was within the knowledge of everybody in Ottawa that the Topley Company of Ottawa supplied binoculars?—A. I do not know about that, I do not know very much about that part of it.

Q. At any rate that is your knowledge of the matter?—A. Yes.

Q. You were instructed to write the P. W. Ellis Company of Toronto giving them authority to purchase the binoculars?—A. Yes.

Q. And you have a copy of the letter which can be produced?—A. Yes.

Q. And the requisition from the Quartermaster-General's office for the binoculars?—A. Yes.

Q. And you will produce those?—A. Yes.

By Mr. Blain:

Q. Do you know anything about this statement in the Deputy Minister of Militia's letter of the 23rd of January, on page 17 of the Return? (Reads):

"Moreover I am advised that after Messrs. Bausch & Lomb had made these quotations of \$41 and \$51.70, they were induced by Mr. F. W. Stobard, represent-

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ing the War Office, to undertake an order for a very large quantity—said to be 10,000 binoculars—at a price several dollars higher than the \$42 paid by the Canadian Government to the Consolidated Optical Company.”

A. Yes.

Q. Were you aware that the British Government were paying higher prices than these prices charged to the Canadian Government?—A. Yes.

Q. You were aware of that? That they were paying higher prices than these?—A. Yes.

By Mr. Carvell:

Q. Did the Department buy a thousand of these binoculars, some at \$42 and some at \$33, respectively?—A. Yes.

Q. Where was the point of delivery?—A. The factory.

Q. In Rochester, N.Y.?—A. Yes.

Q. To that would the Canadian Government add the duty?—A. Yes, sir.

By Mr. German:

Q. Now, a large number of clinical thermometers were purchased?—A. Mr. German, would you allow me to make an explanation about these binoculars before we pass to any other subject.

Q. Certainly make your explanation.—A. I think there were about 2,000 binoculars requisitioned for by the First Contingent, and they were supposed to be of a certain pattern, with a certain magnifying power and with the diameter of the optic lens of a certain size; they were to be of a certain description conforming to the War Office pattern, that is what they were really supposed to be. It was quite impossible either for Mr. Mason, or anybody else, to get glasses of that description in that time anywhere; the thing could not be done, and Mr. Mason bought what glasses he could, of any pattern, approximating in any way to the requirements. The consequence was that he bought them from a great many different sources, and of a great many different patterns, and, of course, there were a great many different prices. Later on this lot of 1,000 glasses, of two patterns, and those the War Office patterns were purchased. I wanted to make it clear that these are really not the same binoculars, by any means, they were very different.

Q. Now I just want to ask you about these clinical thermometers, who had the purchasing of them?—A. It was done through my office, I did it.

Q. Were they purchased under contract?—A. An order was given to Mr. Brownlee.

Q. They were purchased by an order given to Mr. Brownlee?—A. Yes.

Q. Under whose instructions was that order given?—A. It was an order to fill a requisition made by Colonel Jones, but it was an order given by myself, the expenditure was authorized by the Deputy Minister.

Q. Did you have any correspondence with Mr. Brownlee?—A. Yes.

Q. Did you send the requisition from Colonel Jones?—A. I sent him the order, yes.

Q. Was anything fixed as to price?—A. Not for thermometers, no.

Q. Didn't you know what he was to charge?—A. No.

Q. You did not know what he was going to charge?—A. No.

Q. Was any person else asked to tender?—A. No.

Q. No person but he, and when did you first receive the invoice from him for the thermometers?—A. I could not say, I do not remember.

Q. It was when the goods were supplied, I suppose?—A. Yes.

Q. You then saw the price?—A. Yes.

Q. And did you see then the price was more than double what it should be?—A. I could not say that.

Mr. H. W. BROWN.

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Q. Did you know what the price should be?—A. No doubt I saw the price, Mr. German, but as there are hundreds of accounts passing through my hands daily, I could not say.

Q. You did not take notice of it, that is not surprising. Well, Mr. Brownlee, I believe, has made a return to the Department?—A. Yes.

Q. Of how much?—A. 50 per cent.

By Mr. Carvell:

Q. What would that be in dollars and cents?—A. About \$500.

By Mr. German:

Q. Why did he do that?—A. Well, there is a letter there on file from Mr. Brownlee, saying that he had made a mistake in his account. He found out the mistake and he refunded the money.

By Mr. Carvell:

Q. Was any person asked to bid on these thermometers other than Mr. Brownlee?—A. No.

By Mr. Douglas:

Q. Did you have quotations from any other firm?—A. No. We got quotations later, but not at that time.

By Mr. Carvell:

Q. Why did you take it upon yourself to purchase from Mr. Brownlee without giving any other firm a chance to tender a decent price?—A. Well, for very much the same reason as we placed the order, with many of these earlier orders, to get delivery as fast as possible. Well, there was one other reason, Mr. Carvell.

Q. I was going to say there must be something else, because that is very thin.—A. It sounds so now, but it was a pretty serious thing at that time. That requisition covered 35 different items altogether. It was only one requisition of, I suppose, hundreds coming in daily. On a number of those items we had got tenders some few weeks before, that is a lot of pills and tablets, making up quite a large portion of this particular requisition. Those tenders, Brownlee had been the lowest, the lowest tenderer, on, as I say, quite a large number of those items. Not only that, Colonel Jones had here again selected the thermometers he wanted, the goods he wanted. He had gone to Brownlee beforehand.

Q. That is what I thought there must be something. That is the actual fact; really they were purchased by Colonel Jones and not by you?—A. It was more a covering order than anything else.

Q. You were directed to buy them from Brownlee?—A. I can hardly say I was directed.

Q. A strong recommendation anyway for mercy?—A. Yes.

Q. Do you remember the date of the letter received by you from Mr. Brownlee, in which he detected his mistake?—A. No, I could not.

Q. Bring the letter, will you please, next session?—A. Yes.

By Mr. Douglas:

Q. Is Mr. Brownlee a wholesale dealer?—A. No.

Q. Just a retail dealer?—A. Yes.

By Mr. Blain:

Q. This was one of the hurried orders in the early part of the war. Why did you not advertise?—A. It was absolutely impossible. We could not possibly advertise if we got these goods anywhere nearly within the time. Advertising, calling for

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tenders in any way you like, means delay, generally it means a week or ten days' delay. Take the requisition like this covering 35 different items, different makes, you have to supply, each one of the men to whom you go with some kind of specification, or some instructions of some kind; it means writing a letter to each of these people; it means looking up specifications. I am speaking now not of what would happen, but of what has happened again and again, where, more especially in the case of these medical supplies which are very technical, which we know nothing about, we have to go to the medical people to find out what it is they want. In most cases they do not give us a full enough specification. We go to the tenderer first; he says, I do not understand this, what do you mean? We do not know, so we have to come back to the medical people. It goes backward and forward; there is a tremendous lot of delay. That is probably the reason why Colonel Jones in this case, to save time, went to Brownlee first. He discussed the whole thing with Brownlee, asked him how long will it take for you to get this, that and the other thing.

By Mr. Carvell:

Q. This is all very interesting. But how many thermometers did you want for a force of 25,000?—A. That is not—

Q. How many did you buy?—A. A thousand.

Q. And you had to have them within a week or two?—A. I am not the judge.

Q. You had to have a thousand thermometers for that first contingent, and you had to have them immediately?—A. Yes.

Q. Well, does every soldier carry a thermometer in his pocket?—A. I cannot tell you, I am not the judge.

The CHAIRMAN: Now, let us see, for Mr. Brown's information I have just taken a note of what must be produced according to Mr. German and Mr. Carvell—the correspondence with Mr. Powell; invoices showing the prices in Great Britain; requisitions for medical supplies; correspondence and vouchers *re* horses purchased; and the Brownlee letter. That is what you want. But there has been a lot of others mentioned, such as the bicycle correspondence. Do you want that for the next meeting?

Mr. GERMAN: I do not think we will want the bicycle correspondence.

The CHAIRMAN: Suppose I leave it out of the list I first made out.

Mr. GERMAN: Leave it at that for the present.

The CHAIRMAN: I want to say this, on the suggestion of Mr. Howe: you are asking for copies.

Mr. GERMAN: They can produce the originals. (To witness.) Bring the originals, and you can take them right back to your office.

The CHAIRMAN: That will save a lot of time.

Mr. FRIPP: Mr. Powell tells me he has his invoices here.

Mr. GERMAN: If he has them, it is all right.

The CHAIRMAN: It will relieve Mr. Brown.

Mr. GERMAN: We can call Mr. Brown on the telephone if we want him.

Witness discharged.

Mr. E. POWELL called, sworn and examined.

By Mr. German:

Q. What is your occupation, Mr. Powell?—A. Drug clerk.

Q. And what is your age?—A. Twenty-five.

Q. How long have you been acting as a drug clerk?—A. Pretty nearly five years, about five years.

Q. In Ottawa?—A. No, I have been about a year and a half in Ottawa, and the other in Kemptville.

Q. Is your home at Kemptville?—A. It is now. Yes, my home is in Kemptville now.

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Q. And you worked in a drug store there, did you?—A. Yes.

Q. For three years?—A. For about three years and a half?

Q. And since then you have been in Ottawa a year and a half?—A. Yes.

Q. Who are you employed by?—A. The Carleton Drug Co.

Q. And are you a druggist, have you passed your examinations?—A. No, I am only serving my time.

Q. You are serving your time. Who is the Carleton Drug Co., where is their head office?—A. Well, I understand it is an incorporated company. Mr. Garland has some shares in it. He is one of the men. Mr.—

Q. I do not care who the shareholders are. Where is their head office, is it in Ottawa?—A. Yes.

Q. And are they a wholesale concern?—A. No.

Q. Retail?—A. Retail.

Q. Where is their office?—A. 981 Wellington street.

Q. And who is the president?—A. Mr. Garland is president.

Q. What are his initials?—A. W. F. Garland.

Q. Is president. Had you ever known Mr. Garland before you came to their store to work?—A. No.

Q. You came there seeking employment to finish your time as a student?—A. Yes.

Q. And that is your first acquaintance with Mr. Garland?—A. Yes.

Q. And when did you first know anything about the Bauer & Black Drug Co. of Chicago?—A. Oh, I have known them since I went into the drug store.

Q. Since you went into business. Yes. They are a well-known firm?—A. Yes.

Q. All the druggists in Canada purchase from them, I presume, at one time or another?—A. Yes.

Q. And they have a business representative in Canada?—A. Yes.

Q. Who is he?—A. Mr. Shaver of Toronto.

Q. Do you know Mr. Shaver personally?—A. Yes.

Q. How long have you known him personally?—A. I have known him—well, I do not know—about the length of time I have been in the business.

By Mr. Carvell:

Q. That would be about five years?—A. I might not have met him within a certain time after I went in.

By Mr. German:

Q. You were never agent for the Bauer & Black Co., were you?—A. No.

Q. And you are not now?—A. I have—yes. I am still Ottawa agent, yes.

Q. What is that?—A. Yes, I am still agent. Yes, since he appointed me agent; I got the agency, yes.

Q. Who appointed you?—A. Mr. Shaver.

Q. When did he appoint you?—A. Sometime about the first of August. I do not know just exactly the date.

Q. The first of August? Did you apply for the position?—A. No.

Q. You never acted in the capacity as commercial agent for any business concern prior to that, had you?—A. No.

Q. You did not make the application for appointment?—A. No.

Q. And you only knew Mr. Shaver casually, as seeing him about various places of business that you were employed in?—A. Yes.

Q. And Mr. Shaver came to you, did he?—A. Yes.

Q. And asked you if would take the appointment?—A. Yes.

Q. Where were you when he came to you about it?—A. I was in the store.

Q. Was Mr. Garland there?—A. Yes.

Q. Was Mr. Garland with Mr. Shaver at the time he requested you to act as agent?—A. Yes.

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Q. It would not be ten minutes, would it?—A. It would not be very long; I cannot give any definite time; not very long.

Q. Was there anything else said more than what you have now expressed?—A. Not that I remember.

Q. Anything as to the price of goods?—A. No, nothing said regarding prices.

Q. There was nothing said about prices, either about the prices that Bauer & Black were to charge, or about the prices you were to charge to the Government?—A. No.

Q. You knew nothing about the price?—A. No.

Q. How long after that conversation was it before you received an order from Mr. Brown containing a requisition for goods?—R. Well, I cannot say; not longer than a few days.

Q. Have you kept the letter he sent you?—A. Mr. Brown's?

Q. Yes.—A. Yes.

Q. Have you it here with you now?—A. Yes.

Q. Will you let me see it, please.

(Documents produced by witness and marked Exhibit 1.)

Q. This is the letter you received from Mr. Brown, Director of Contracts, Department of Militia and Defence, and the requisition for supplies:—

EXHIBIT.

J.B.D.

H.Q. 513-1-1.

C.D. Med. Stores.

A.B. 60 (14-15).

DEPARTMENT OF MILITIA AND DEFENCE,

OTTAWA, August 12, 1914.

SIR,—I have the honour to request you to furnish to the Department of Militia and Defence the undermentioned articles at the prices stated.....
.....(see articles as per attached list).....
upon the following conditions:—

1. The articles to be supplied under this order must be in all respects similar and equal to the sealed patterns and specifications therefor.

2. Delivery (or shipment) is to be made to...the Central Medical Stores, 136 Emmett street, Ottawa...free of all charges immediately.

3. Freight or express charges are to be prepaid; if chargeable to this department the amount should be included in the invoice, to which a receipt from the transportation company for the amount paid must be attached.

4. The invoice, in triplicate, and the shipping bill should be sent to the undersigned.

5. Each article of the supply should be stamped with the manufacturer's name and the year of manufacture.

Be good enough to inform me, by return mail, whether you accept the order upon these terms.

I am, sir, your obedient servant,

(Sgd.) H. W. BROWN,

Director of Contracts.

E. POWELL, Esq.,

Agent, Bauer & Black,

981 Wellington street,

Ottawa, Ont.

Mr. E. POWELL.

APPENDIX No. 3

Q. Had Mr. Garland spoken to you about the matter prior to Shaver going to you?—A. No.

Q. Had you any knowledge or idea prior to that that you would be appointed agent for the company?—A. No.

Q. So that your first information was Mr. Shaver and Mr. Garland coming to you at the store, and asking you to take the appointment?—A. Yes.

Q. Was it mentioned to you for what purpose your appointment was required?—A. Well, it was to look after the business in Ottawa, look after their end of the business here, the Government business.

Q. Look after their business in Ottawa?—A. The Government business.

Q. The Government business in Ottawa. And the Government business was specified?—A. Yes.

Q. You were not to look after any other business excepting the Government business?—A. No.

Q. And why was it necessary for you to look after the Government business in Ottawa?—A. Well, they informed me that they wanted somebody here, on the job. Mr. Shaver could not be here; and they wanted somebody here to look after their interests here.

Q. Did you have any contract or agreement with them?—A. No.

The CHAIRMAN: You mean written, I suppose.

By Mr. German:

Q. Written or verbal, as to compensation for your services, as to what you were to get?—A. No, nothing.

Q. No arrangement was made for your receiving any compensation?—A. No.

Q. Did you expect to act gratuitously for the Company, Bauer & Black, as their agent in Ottawa, to get nothing for your service?—A. Oh, no, I did not expect that, but there was no definite arrangement made what I was to get.

Q. Was there any arrangement at all?—A. No, nothing said.

Q. Nothing said?—A. No.

Q. The only thing said was that some one was wanted in Ottawa to look after Government business, and they wanted you to do it?—A. Yes.

Q. And Mr. Garland was there?—A. Yes.

Q. And heard all the conversation?—A. Yes.

Q. Was anything said to you about what Government business you were to look after?—A. It was regarding these Militia orders.

Q. Was it expressed to you by Mr. Shaver or Mr. Garland as to what Militia orders there were?—A. No, there was nothing definite said about the orders.

Q. Was there anything said about Mr. Shaver having already had an interview with any officials in the Militia Department regarding these orders?—A. Yes.

Q. What was said about that?—A. Mr. Shaver informed me that he had been to see about these, and they wanted to get the Bauer & Black goods.

Q. Yes, and what else?—A. And he wanted to appoint me down there, and wanted me to look after it.

Q. And Mr. Garland was there?—A. Yes.

Q. And heard the conversation?—A. Yes.

Q. Did Mr. Shaver have a requisition from the Department as to the goods that were required?—A. No.

Q. You were just talking generally about it?—A. Yes.

Q. But Shaver told you that he had already had a conversation with the officers of the Militia Department?—A. Yes.

Q. Did you know what quantity of supplies the Department would require?—A. No.

Q. How long did that conversation last?—A. Not very long.

Q. Half an hour?—A. He might have been there longer than that.

Q. I mean the conversation with you?—A. No.

Mr. E. POWELL.

LIST OF SUPPLIES REQUIRED ON MEDICAL STORES REQUISITION

No. 60.

*Section No. I.*30 Soap, green, $\frac{1}{2}$ pound jar, in case.*Section No. III.*

30 dozens Bandages, flannel, roller 3-inch.

180 gross Bandages, flannel, gauze compressed, 144 in 3 sizes.

124 dozens Plaster of Paris, 3-inch in individual packages.

360 pounds Cotton absorbent in 1-pound rolls.

15,000 packages Cotton absorbent sterilized, in 1-ounce packages.

9,000 packages Gauze, plain in $2\frac{1}{2}$ -yard lengths.

1,080 rolls Gauze, plain in 5-yard rolls.

15,000 packages Gauze, sublimated in $2\frac{1}{2}$ -yard lengths.

270 yards Muslin, unbleached.

Section No. V.

450 spools Plaster adhesive, Zinci, 1 inch x 10 yards.

210 spools Plaster adhesive, Zinci, 2 inches x 10 yards

90 tins Plaster of Paris in 4-pound tins.

90 rolls Silk, oil, in 5-yard rolls.

720 packages Ligatures, silk braided, sterilized, 3 sizes in packages.

1,800 packages Ligatures, catgut sterilized, 3 sizes in packages.

180 dozens Pins, safety, 3 sizes.

180 yards Plaster, moleskin.

Section No. I.

424 cakes Soap, germicidal.

Section No. III.

496 yards Calico, thin.

3,854 packages Gauze, plain compressed in $2\frac{1}{2}$ -yard packages.

2,064 packages Cotton absorbent, compressed, 1 ounce packages.

43 yards Flannel for fomentation.

304 yards Calico, coarse.

2,240 packages Cotton absorbent compressed 2-ounce packages.

Section No. V.

508 yards Silk, oiled, 1-yard package.

275 dozens Needles, surgeons, straight.

3,208 dozens Pins, safety, size $2\frac{1}{2}$ -inch and $1\frac{1}{2}$ -inch.

1,536 packages Ligatures, silk braided and sterilized, 3 sizes in package.

726 spools Plaster, adhesive, Z.O. 1 inch x 10 yards.

91 packages Needles, sewing.

826 pieces Tape field equipment.

116 Thread, stout sewing.

109 tubes Tubing, drainage, sizes Nos. 1, 2, 3, in aseptic solution.

192 hanks Silkworm gut, 100 string.

324 Plaster of Paris $\frac{1}{2}$ -pound tins.

848 packages Ligatures, catgut, sterilized, 3 sizes in packages.

Q. When you got that letter and requisition what did you do with it?—A. I gave it to Mr. Shaver.

By Mr. Carvell:

Q. Was Mr. Shaver here?—A. Yes, he was here.

Mr. E. POWELL.

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By Mr. German:

Q. Was Shaver here at the time you received the letter?—A. Yes, sir.

Q. This is dated 12th August?—A. 12th August.

Q. Did you give it to Mr. Shaver on the same day that you got it?—A. I think I did. I think I gave it to him, as near as I can judge.

Q. That was the same day Mr. Shaver came and appointed you as agent, wasn't it?—A. No. I did not get this order for a few days after that.

Q. How many days?—A. I cannot say definitely just now because I do not remember the date. He was in before then.

Q. At any rate he remained in Ottawa during that time?—A. Yes.

Q. From the time he appointed you as agent until you got his order. Would it be the day before you got the order that you had the conversation with him?—A. No, I do not think it. It would be two or three days, I should judge.

Q. Had you any conversation with him between the date on which you were appointed and the date on which you received the order?—A. Not that I remember.

Q. Did you have any conversation with Mr. Garland about it, between those periods, the time of your appointment and the date of receiving the order?—A. I cannot say that. I have seen him but I don't know whether I said anything about it to him or not.

Q. Well, when you got that order you handed it to Mr. Shaver?—A. Yes, he took it right in to the firm.

Q. He took it in to the firm?—A. Yes.

Q. Have you from that order until now had anything further to do with it?—A. Yes, I got some since then, yes:

Q. I mean that order you first got.—A. I looked after the delivery of it, and the goods were invoiced to me. I invoiced them to the Government.

Q. Have you got the invoices there?—A. Do you want the invoices from the Company?

Q. Yes, from the Company.—A. (Producing file.) There were several of them you see. That (indicating) runs on into some other order.

Q. Would you let me see the invoices of these articles which are set out on page 24 of this special return.—A. The whole of these items are not on separate invoices.

MR. GERMAN.—I would suggest that as this will probably take some little time, and as we cannot finish the examination of Mr. Powell to-day, we had better leave this question and allow Mr. Powell an opportunity to go through his invoices and pick out such as are represented in this return.

The CHAIRMAN: Yes.

By Mr. German:

Q. You can do that?—A. Yes.

Q. And have them here at the next meeting if we want to call you again?—A. Yes.

MR. FRIPP: Was there anything in that invoice indicating the price that was to be charged the Government, would you ask him that, Mr. German?

By Mr. German:

Q. Is there anything there to show what you were to charge the Government, you heard Mr. Fripp's question?—A. No.

By Mr. Davidson:

Q. Did these invoice prices include the duty or are they exclusive of duty?—A. I judge that they cover the duty.

By Mr. Carvell:

Q. Did you pay any duty?—A. We did not pay directly, but indirectly we do pay. Witness retired.

Committee adjourned.

MR. E. POWELL.

5 GEORGE V., A. 1915

HOUSE OF COMMONS,

Room 100,

MONDAY, March 22, 1915.

The Select Standing Committee on Public Accounts met at 11 a.m., Mr. Morphy presiding, in the absence of Mr. Middlebro, the Chairman.

The Committee proceeded to the consideration of "Sessional Paper No. 122 of the present session of Parliament and all other papers in relation thereto, being copies of correspondence between the Auditor General and the Department of Militia and other Departments of the Government, laid upon the table of the House, in respect to expenditures under the War Appropriation Act," referred to them by the House.

Mr. E. POWELL, recalled and examined.

By Mr. German:

Q. Mr. Powell, when we adjourned on Friday I asked you to look over your invoices for goods obtained from Bauer & Black, and which were supplied the Government, and pick out such invoices as show the goods set out on p. 24 of this Return. Have you been able to do that?—A. Well, I just made a note of it here. It includes a great many of the invoices and I just made a note of the prices. I can give you a note accordingly.

Q. Perhaps that will answer our purpose just as well. We will see. Do you find in the invoices of goods obtained from Bauer & Black that the prices correspond to the prices set opposite the list of goods mentioned on p. 24 of this Return under the heading "Prices paid by Powell?"—A. I just don't understand fully that question.

Q. Do the prices set out in the invoices of the goods obtained from Bauer & Black as shown on p. 24 correspond with these prices under the heading "Prices paid by Powell?"—A. In some cases, not all the way through.

Q. Well, then, it would be better to have had the invoices; that is what you were asked to get. You have had the invoices in your possession have you not?—A. Yes.

Q. Why did you not bring them?—A. I have the invoices right here (invoices produced). It is rather difficult to get the invoices arranged to correspond with this because they do not come in rotation, they do not follow each other. That is my reason for putting them down this way. It is much easier than to follow these invoices all the way through.

Q. Well, the suggestion that I made to you was to go over the invoices which you had in your possession and to pick out in the invoices the articles that are set out on p. 24, and produce these invoices to show if the prices in the invoices correspond with the prices set out in this Return.—A. I went through them and noted the prices here (indicating the margin of p. 24).

Q. Then you have got them on your copy of the Return? (Looks over notations.)

By Mr. Bennett (Simcoe):

Q. That is, you have marked in the bluebook the actual prices on the invoices?—A. Yes.

Mr. BENNETT (Simcoe): Let him read that down.

Mr. GERMAN: That will do.

By Mr. Bennett (Simcoe):

Q. Read them slowly so we can catch them.—A. Do you want me to read the three columns or just two?

Mr. E. POWELL.

APPENDIX No. 3

Q. Just, for instance, "lint compound."—A.

Lint, compound, 1 oz. pkt.	\$.05½
Wool, cotton, absorb., compd., 1oz. pkt. . . . .	.05½
Wool, cotton, absorb., compd., 2oz. pkt. . . . .	.10
Cotton in 1 lb. rolls, each . . . . .	.32
Gauze, absorb., sub. compd., 36 x 2½, per doz.	1.00
Gauze, absorb, 36 x 36, per doz.	3.20
Gauze, plain, 2½ yd. pkt. . . . .	.23½

Q. That is the first change from 19 to 23½ cents?—A. Yes (continuing):

Gauze, plain, compd., 2½ yd. pkts.	\$.22½
--	---------

Q. Instead of 25 cents?—A. Yes (continuing):

Gauze, plain, 5 yd. rolls, per doz.	5.25
Gauze, sublimated, 2½ yd. pkts. . . . .	.42
Silk, oil, 5 yd. roll	6.00

By Mr. German:

Q. Six dollars?

By Mr. Bennett (Simcoe):

Q. That is more than it sold for. It is charged to the Department at \$5.30?—

A. (Continuing):

Silk, 1 yd roll	\$1.80
Ligatures, catgut, sterilized, 3 sizes in pkt. . . . .	.22½
Ligatures, silk, braided, 3 sizes in pkt. . . . .	.22½
Silkworm gut, 100 strings . . . . .	.63
Rubber drainage tubes, asst. sizes	3.20
Rubber drainage tubes, sterilized	3.20
Bandages, 2½ in. x 6 in., compd., per gross	8.00
Bandages, 3 in. x 6 in., compd., per gross	8.40

Bandages, white flannel, 3 in. I paid two different prices, one price was \$5.50 and the other \$4.50.

By t' e Chairman:

Q. These bandages are some by the gross and some by the dozen?—A. Yes. (Continuing):

Bandages, flannel, gauze, compd., 3 sizes, per gross	\$8.00
Bandages, triangular, compd., per doz.	1.27
First field dressings . . . . .	.16
Plaster of Paris, 3 in. indiv. pkg., per doz.	3.20

By Mr. Bennett (Simcoe):

Q. How much?—A. \$3.20. (Continuing):

Plaster, adhesive, zinc, 1 x 10 yd. spools, each . . . . .	.65
Plaster, adhesive, zinc, 2 x 10 yd. spools, each . . . . .	.90
Plaster, moleskin, per yd. . . . .	.53
Surgeons' needles, straight, per doz. . . . .	.25

By Mr. German:

Q. Who went over the invoices with you to check off these prices?—A. I checked them off myself.

Q. Who went over them with you?—A. No person.

Q. No person?—A. No.

Q. You went over them by yourself and alone. And have you discussed your evidence given the other day with anyone since we met before?—A. No.

Mr. E. POWELL.

Q. Have you had any discussion with anyone about it?—A. No.

Q. Well, when you received the goods and the invoices, were the goods opened at all?—A. No, I did not open them.

Q. Now, I am speaking of this quantity of goods set out in the Return. You did not open them?—A. No, I did not open them.

Q. Were they sent through to the Militia Department in the same cases as they were received without being opened?—A. Yes.

Q. And when the invoices were received to whom did you hand them?—A. That is the firm's invoices?

Q. The invoices for these goods?—A. They came to me.

Q. They came to you, and to whom did you hand them?—A. I sent them to Mr. Brown.

Q. The invoices that you received?—A. No, pardon me.

Q. You received the invoices of these goods from the Bauer & Black firm in Chicago, and having received those invoices to whom did you hand them?—A. I didn't hand them to anybody.

Q. What did you do with them?—A. I filed them.

Q. In the store?—A. I have them here, or a copy of them.

Q. You received them in the store?—A. Yes.

Q. You didn't put them in your pocket, or carry them around with you in your pocket all the time?—A. No.

Q. What did you do with them?—A. I put them on file.

Q. You put them on file in the office?—A. Yes.

Q. With other invoices?—A. No, just by themselves.

Q. You put them on file by themselves, but in the office, and in company with other invoices of other goods which the firm had received?—A. Not goods which the firm had received.

Q. You took no special care of these particular invoices, did you?—A. I kept all of these separate.

Q. You kept them separate from other invoices?—A. Yes.

Q. But they were on the file of invoices of the Carleton Drug Company?—A. Not the file of the Carleton Drug Company.

The CHAIRMAN: Mr. German means that the file was your own but in the office of the Carleton Drug Company?—A. Yes.

By Mr. German:

Q. Yes, in the office of the Carleton Drug Company?—A. Yes.

Q. And who made out the prices to be charged the Government?—A. I did.

Q. In company with whom?—A. There wasn't anybody.

Q. No one at all?—A. No.

Q. Had you experience in the buying and selling of goods in a wholesale way?—A. No, not outside of the business.

Q. Not outside what is in the business?—A. You told me on Friday that after you received the invoices you had nothing further to do with them, was that correct? You see on page 48 I asked you: (Reads)

“Q. Have you from that order until now had anything further to do with it?—A. Yes, I got some since then, yes.

Q. I mean that order you first got?—A. I looked after the delivery of it, and the goods were invoiced to me. I invoiced them to the Government.”

Is that correct?—A. Yes.

Q. Did you make out the list of goods and the prices to be charged for the goods?—A. Yes.

Q. You did not open the goods to see if they corresponded to the invoices?—A. No.

Mr. E. POWELL.

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Q. Now then, how do you make out your list of prices?—A. I just added what I considered a fair margin.

Q. You added what you considered to be a fair margin; and did you consider it a fair margin to charge \$5.30 for silk oil, five yard rolls, which had cost you \$6?—A. That price was reduced, that was not the price sent in first.

Q. What price did you send in first?—A. I cannot say just what the price was, I know it was reduced.

Q. Did you not keep a copy of the prices you sent in?—A. I did not, I discarded that first price and sent in the price which appears there. The Department objected to it and I reduced it to the price they were willing to pay.

Q. And you reduced it to a price below what was paid to Bauer & Black?—A. I did

Q. On whose instructions?—A. Because the Department would not pay it, they claimed they could buy it at that price and so I put it in to them at that price.

Q. Who, in the Department, claimed that?—A. I do not know whether it was Mr. Brown or somebody in his office.

Q. Did you have any correspondence with him, are there any letters regarding that?—A. I do not think there are any letters, I think it was by phone.

Q. Someone called you up, or did you call them up?—A. They called me.

Q. Who called you up?—A. I do not remember whether it was Mr. Brown or somebody in his office.

Q. Did you make out the prices that were handed in to the Government in your own handwriting?—A. Yes.

Q. You did it in your own handwriting?—A. Yes.

Q. In the office of the Carleton Drug Company?—A. Yes.

Q. Who were with you when you did it?—A. There wasn't anybody.

Q. There was no person in the office?—A. I do not know who was there at the time.

Q. Who was with you, assisting you in making out the price?—A. There wasn't anybody.

Q. Did you show the prices to anybody before sending them to the Government?—A. I do not think so, no.

Q. You must remember that, surely?—A. No.

Q. You didn't show them to anyone?—A. No.

Q. And you did not have any conversation with anyone about the prices while you were making them out?—A. No.

Q. How long after you got the invoices did you make up the prices for the Government?—A. According as the invoices came in I made out my invoices to the Government.

Q. Were not the goods set out in this return all received at one time?—A. No.

Q. Now you have gone over the invoices for the goods that are set out here and you have those invoices with you?—A. Yes.

Q. Would you just let us have them, please?

Witness handed documents to Mr. German.

By the Chairman:

Q. Did you ever make a list out for the Auditor General containing these items which are set out on page 24?—A. No.

Q. What authority has he for saying that these are the prices paid by you? There is a column with "Prices paid by Powell," on top?—A. Well, he stated where he got those prices the other day.

Q. Didn't he get that list from you?—A. No.

The CHAIRMAN: I think the Auditor General should produce those papers to make it clear on the record where he got his information

Mr. E. POWELL.

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Mr. GERMAN: I do not want to take up the time of the Committee in going over all these invoices now, but I am not just satisfied, up to the present, to accept Mr. Powell's statement in regard to the matter without going over it and comparing the invoices with the prices here.

By Mr. Blain:

Q. Is the Auditor General correct when he says you made 40 per cent profit on these goods—about 40 per cent he said?

The CHAIRMAN: You are speaking of the goods as a whole as set out on page 24?

By Mr. Blain:

Q. Yes. You see what the Auditor General says there. Is that correct?—A. No.

Q. He is not correct?—A. No.

Q. About what percentage, on the whole, did you make?—A. About 28 per cent.

By Mr. German:

Q. I would just ask you now: Does this bundle of invoices cover all the goods shown on p. 24?—A. I think it does, yes.

Q. You have gone through them, you should know?—A. Yes.

Q. They contain all the goods shown on p. 24 of this Return?—A. Yes.

Q. Coming back then to the time after the invoices were received and the goods received by you, you say the goods were sent to the Department in the same packages in which they were received without being opened by any one?—A. Yes.

Q. You received the invoices and you say you made out a list of prices which were sent to the Government?—A. Yes.

Q. Made it out in your own handwriting?—A. Yes.

Q. And was that list of prices sent to the Government at the same time as the goods were sent?—A. About the same time.

Q. The same day, or the day after, or how long after?—A. It depends on when I received the invoices. I sent them immediately as I got the invoices.

Q. Then you did not make out your list of prices for these goods mentioned in the Return all at one time?—A. No.

Q. You sent in your list of prices at different times?—A. Yes.

Q. Did you keep copies of them?—A. Yes.

Q. Have you got the copies?—A. Yes.

Q. Just let us have those.

Copies of invoices produced.

Q. This is the copy of the list of prices which you sent to the Government?—A. Yes.

Q. That is the original list?—A. A copy of the original list.

Q. Of the original list?—A. Yes.

Mr. BLAIN: Have that read.

The CHAIRMAN (reads).—

981 Wellington St.,

Ottawa, Ont.,

August 18, 1914.

Department of Militia and Defence,
Requisition 60,

In account with E. Powell.

Agent for Bauer & Black, Chicago, Ill., Surgical Dressings, Cotton, Sponges,
etc.

Invoice No. 1. Terms Cash.

Mr. E. POWELL.

APPENDIX No. 3

By the Chairman:

Q. It is a copy in every respect of your headings and items?—A. Yes.

By Mr. German:

Q. What price did you put in that original invoice to the Government for field dressings?—A. The first invoice I sent in at 23 cents.

Q. 23 cents. And did you reduce it?—A. Yes.

Q. To how much?—A. 21.

Q. To 21 cents. And 16 cents was what was paid?—A. Yes.

Q. Now, you say no one assisted you in making out these prices?—A. No.

Q. Made any suggestions to you?—A. No.

Q. No one suggested anything as to prices at all?—A. No.

Q. Not Mr. Shaver?—A. No.

Q. Was Mr. Shaver there when you were making out the prices?—A. No.

Q. He was not there. Nor Mr. Garland?—A. No, he might have been at the store, but he had nothing to do with the prices.

Q. You did not discuss the prices with him?—A. I might have.

Q. You might have discussed the prices with him. You did discuss the prices with him?—A. I might have in some cases.

Q. You might have in some cases. As a matter of fact, Mr. Powell, you did discuss the prices with him in some cases at any rate?—A. I do not remember. I might have discussed the matter with him, but I do not know that there was anything said regarding prices.

Q. Is it not very natural that you would discuss the prices with him or with some person?—A. Yes.

Q. Yes, it is quite natural. He was an experienced man in the drug business?—A. Yes.

Q. Has had many years experience, has he not?—A. Yes.

Q. And you have had really no experience in wholesale business of that kind, have you?—A. No, not outside—

Q. Not outside of selling in the retail line over the counter?—A. Yes.

Q. That is all the experience you have had?—A. Yes.

Q. And Mr. Garland was in the store all the time, I suppose, more or less, there?—A. Sometimes, no, not every time.

Q. He was there most of the time?—A. Part of the time.

Q. And it was very natural, I should think, that you would discuss the question of prices with him, would it not be?—A. Yes.

Q. Yes, very natural. And, as a matter of fact, you did discuss prices with him, didn't you?—A. I may have.

Q. Well, you have a recollection of what happened. Now, Mr. Powell, you are an honest young man; just tell us, because I would be very surprised indeed if you did not. As a matter of fact, you did discuss with him the question of prices?—A. I might have in some cases.

Q. Well, you might have. You did in some cases at any rate, didn't you? You might as well be frank about it. Nobody is going to get hurt; we just want to know what the facts are. You did discuss with him the question of prices in some cases at least, did you not?—A. Yes, I guess I did.

Q. Yes, you did. You might just as well have answered in the beginning, because it is so absolutely natural that you should do it that I should have been surprised if you did not. As a matter of fact, I suppose, Mr. Powell, you discussed the question of prices with him in connection with all these goods?—A. No, I cannot say I did.

Q. You cannot say that you discussed the prices in connection with all of them, but with the most of them?—A. With part of them, because he was not there all the time.

5 GEORGE V., A. 1915

Q. I suppose you discussed these larger items with him; the small items would not be of much importance, but the larger items you discussed with him?—A. Some of them.

Q. Some of the larger ones, do you mean, or do you mean all the larger ones?—A. No, I might have discussed some special articles. I do not know just which ones.

Q. For instance, bandages $2\frac{1}{2} \times 6$, did you discuss the price to be charged for those?—A. I cannot just say now, I do not remember.

Q. You cannot say just now. Can't you say anything more definite than you discussed with Mr. Garland some of the prices to be charged?—A. That is all I can say.

Q. That is all you can say. As to what particular articles were discussed, you cannot say?—A. No.

Q. But you did discuss some of them? That is true, is it?—A. I know I discussed some of the things with him. I cannot say definitely what I said about prices.

Q. You cannot say definitely which ones. But I suppose he was there in the store and in the office when you were making out this list of prices?—A. Sometimes.

Q. Sometimes. Was he not there all the time, or some of the time?—A. Yes.

Q. And saw you making out your list of prices?—A. I do not know as he saw what I was making out. He might have been there and not seen.

Q. And you know he was there and he might have seen?—A. He was there for part of the time.

Q. And very likely did see?—A. I do not know.

Q. Well, then how was payment made for these goods? How did the Government make payment for them?—A. They paid by cheque to me.

Q. They paid by cheque to you?—A. Yes.

Q. One cheque or different cheques?—A. Different cheques.

Q. How many altogether?—A. I cannot say just now.

Q. You cannot say. Made payable to your order, were they?—A. Yes.

Q. Made payable to your order and endorsed by you?—A. Yes.

Q. And then what was done with the cheques?—A. I deposited them.

Q. You deposited them in what bank?—A. In the Union Bank.

Q. To whose credit?—A. To my own; to the credit of myself.

Q. To your credit. And were they deposited to your credit as soon as received?—A. Yes.

Q. As soon as received you deposited them to your credit. Had you an account, a personal account, of your own in the Union Bank prior to that?—A. I had.

Q. Had you an account to any extent? To what extent?—A. A small account.

Q. Prior to that you had a small account, and you deposited these cheques to your credit in the Union Bank, and then what did you do with the money?—A. I paid the drafts that came in from Bauer & Black.

Q. What did you do with the balance of it?—A. It is in the bank.

Q. It is in the bank yet?—A. Yes.

Q. It has not been touched?—A. No.

Q. And it is to your credit?—A. Yes.

Q. Is it in one account by itself?—A. No, it is in the savings account and a current account.

Q. Have you got your bankbooks?—A. Yes.

Q. You haven't them here, have you?—A. Yes.

Q. Let me see them, please. (Bank books produced and handed to Mr. German.) Is this the Savings Account Book (indicating)?—A. No.

Q. This is the current account book. In which account were the cheques deposited which you received from the Government?—A. In the current account.

Q. None of those cheques were deposited in your savings account?—A. No.

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Q. And did you deposit any other money in the Union Bank, to the current account, except the cheques which you received from the Government?—A. In the current account?

Q. Yes?—A. Let me see the book a minute, please. (Consults bank book.) Yes.

Q. What else did you deposit there?—A. Sometimes I took out money and did not use it all up, and then I put it back.

Q. You took out money for use, and when you did not use it all you put it back?—A. Yes.

Q. But it was all the same money?—A. All the same money.

Q. You deposited, for instance, none of your salary in the current account?—A. No.

Q. You put that, if you deposited any money from your salary, to the savings account?—A. Yes.

Q. So that you kept the current account for moneys received from the Government for these goods, and in the savings account you deposited your own personal moneys?—A. Yes.

Q. And what balance is there in the bank to your credit, on account of these goods, at the present time?—A. About \$6,000.

Q. About \$6,000, and the goods are all paid for?—A. Yes.

Q. And does that represent the profit—does that balance represent the profits you made on the goods?—A. Yes.

Q. And that stands there to your credit yet?—A. Yes.

Q. And what was the total amount of the proceeds from the goods sold to the Government—the gross amounts?—A. That includes everything, Mr. German.

The CHAIRMAN.—Not only these goods but everything?

Mr. GERMAN.—That includes everything as shown there—what is the total amount?—A. \$40,000, over \$40,000.

Q. That is the total amount of goods sold to the Government?—A. Yes.

Q. And the proceeds, in cash, from the Government, for all those goods were put in the Union Bank to your credit?—A. Yes.

Q. As shown in this bank book?—A. Yes.

Q. And the goods have all been paid for out of that money?—A. Yes.

Q. Has any money been used for any other purpose than paying for these goods?—A. I may have used some money for expenses.

Q. For what purpose?—A. A small amount of it.

Q. For what purpose did you use it?

By the Chairman:

Q. Was it for personal uses?—A. For personal uses.

By Mr. German:

Q. For what kind of personal use?—A. I had some of that money on me, and if at the time I wanted money for any purpose, when I had it I took some of it.

Q. How much would it amount to?—A. I could not say how much, not very much.

Q. Now, you say, you reduced the price of field dressings from 23 cents, as first charged, to 21 cents. At whose suggestion did you do that?—A. At the suggestion of the department.

Q. Did the Department write you about it? (Witness consults file).—A. I do not think so.

Q. How did you come to make the reduction if you didn't hear from the Department?—A. I think it was done by phone, if I remember aright.

Q. Phone from whom?—A. I do not know whether it was Mr. Brown or somebody in his office.

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Q. When was it you made the reduction?—A. After I sent the first one in they informed me that the price was too high, and they agreed to accept the 21 cents.

Q. Mr. Garland wrote a letter to Mr. Brown, dated the 28th of January, 1915, in which he says, (reads) "Mr. E. Powell has shown me your letter of the 26th January, making certain complaints as to the prices charged and paid for some field dressings." Have you that letter?—A. Yes. (Produces letter.)

The CHAIRMAN.—That letter is already on the record at page 23.

By Mr. German:

Q. Then, Mr. Garland spoke to you about this matter, I suppose, if you got this letter you showed it to him, and you had a conversation with him about it, had you?—A. Yes, I spoke to him about this.

Q. You spoke to him about it and showed him the letter?—A. Yes.

Q. What did he say to you about it?—A. I do not remember what he said about this.

Q. Did he suggest that the price be reduced to 21 cents?—A. Is that the letter on page 23?

The CHAIRMAN: The balance is on page 23, it starts on page 22.

By Mr. German:

Q. Mr. Garland's letter to Mr. Brown is on pages 19 and 20, in which he says that he "urged the price paid by your Department—21 cents—as fair and reasonable under the circumstances." Is that the case? Did he suggest that you change it?—A. No.

Q. He did not suggest that you change it to 21 cents?—A. No.

Q. If he didn't, who did?—A. That was done with the Department.

Q. Mr. Garland says, "I urged the price paid by your Department—21 cents—as fair and reasonable under the circumstances," what do you say as to that.

The CHAIRMAN.—I wonder if the original letter is here; it may be that he wrote "urge" instead of "urged."

By Mr. German:

Q. You had a conversation with Mr. Garland, what did he suggest?—A. I do not know what he said to me regarding that.

Q. You do not remember regarding that. I see. Well, are those goods all paid for by the Government?—A. No.

Q. How much balance is there due from the Government to you?—A. About \$2,600.

Q. \$2,600. So that \$2,600 added to the \$6,000 in the bank would make \$8,600 of a profit on these goods?—A. Yes, a little over \$6,000.

Q. There is over \$6,000 and \$2,600 still due from the Government, and some money that has been used too, you do not know the amount?—A. No.

Q. Well then, I suppose, we could perhaps say that the whole profit was perhaps \$9,000?—A. Yes, about \$9,000.

Q. Or about 25 per cent?—A. About 28 per cent.

Q. Yes. I don't think I want to ask Mr. Powell any more questions, subject to looking those matters over.

By Mr. Blain:

Q. Is that profit regarded as high in the drug business?—A. No.

By Mr. Fripp:

Q. Have you been long enough in the drug business to know whether a local druggist, or local man who is agent for a foreign firm like this firm was, is expected to charge a profit for himself over and above the cost price?—A. I do not understand that question.

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Q. Well, how do you charge 28 per cent, being at the same time agent for this wholesale firm of Bauer & Black? If you are their agent here, should you charge an additional sum unless that is the practice?

By Mr. Davidson:

Q. That is the way you got your remuneration, by charging a commission?

By Mr. Fripp:

Q. You understand what I mean, Mr. Powell?—A. No, I do not understand.

Q. You took these orders as agent for Bauer & Black, did you not?—A. Yes.

Q. Now did you have any conversation with the agent, Mr. Shaver, as to whether you were to charge the firm of Bauer & Black for your services, or whether you were to add an additional charge for your services against the Government?—A. The understanding was that the firm was to invoice the goods to me, and I was to take a chance of making what I could on invoicing at an advanced price to the Government.

Q. Did he tell you how much you ought to charge?—A. No.

Q. He left that to your own judgment?—A. Yes.

Q. Is 28 per cent an excessive charge for goods of that kind over and above cost price?—A. I do not think so.

Q. You do not think so. Then, what have you to do with the goods when they arrive here? Had you any expense yourself?—A. Yes, I had the cartage and things like that, delivering the goods.

Q. You delivered the goods to the Department?—A. Yes.

Q. I see. Well, then, I suppose all this time you were still under salary with the Carleton Drug Company?—A. Yes.

Q. This was additional work you were doing?—A. Yes.

Q. Was anybody else interested in this contract besides yourself?—A. No.

Q. Does the whole sum of \$6,000 deposited in the bank belong to you personally?—A. Yes.

Q. Nobody else has any claim on it?—A. No.

Q. You understand what I mean; is anybody directly or indirectly interested in that sum?—A. No.

Q. Have you to account to any person for any portion of it?—A. No.

Q. Is the Carleton Drug Company interested in the amount?—A. No.

Q. Is Mr. Garland interested in it in any way?—No.

Q. What was the arrangement that you made in the first instance with Mr. Garland? Was he to allow you to make this on the side, or was it part of his business; was he to be benefited in way?—A. No.

Q. Was Mr. Garland or the Carleton Drug Co. to be benefited by your getting this contract from the Government?—A. No.

Q. They were not. This was a side line on which you were enabled to make something?—A. Yes.

Q. Did Mr. Garland do that as a friend to you?—A. Yes.

Q. You are going through college, are you?—A. Yes.

Q. Have you any private means?—A. No.

Q. Outside of what you earn?—A. No.

Q. I see. How far have you got? have you taken your first examination yet?—A. No; I have got my time to serve yet. I have to serve a year in Toronto.

Q. Do you go to the University or the College of Pharmacy?—A. The College of Pharmacy.

Q. Have you any means to put you through college except your salary as a drug clerk?—A. No.

Q. That is all I want to ask.

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By Mr. German:

Q. Just one question. You say that you had the expense of delivering the goods, cartage?—A. Yes.

Q. How much did that cost?—A. Oh, I cannot say just offhand.

By Mr. Douglas:

Q. About \$2?—A. A great deal more than that.

By Mr. German:

Q. Twenty dollars?—A. More than that. There was a lot of goods, a great many different shipments.

Q. How much would it cost?—A. Well, I cannot give you definitely what it cost.

By Mr. Douglas:

Q. Have you got your freight bills?—A. It cost over \$50 for cartage, anyway.

Q. Who were the carters?—A. Mr. Ferris and Mr. Dunn.

Q. They were the carters that do carting for the Carleton Drug Co. store, I suppose?—A. They do some. They are carters out in that section of the city.

Q. And that the company employs in their ordinary course of business?—A. Sometimes.

Q. Did you pay them out of your own pocket separately for this work?—A. I did.

Q. You paid them yourself, these carters?—A. Yes.

By the Chairman:

Q. Mr. Powell, in addition to the list of goods and this style of goods set out on page 24, is there or not a much larger list?—A. Well—

Q. Or does that embrace the style of the articles?—A. That partly covers it. There is some outside of it.

Q. When you made the first sale to the Government what was the extent of the sale?—A. It was that first requisition.

Q. Well, in money how much was it?—A. Does that include the first requisition?

Q. Yes, the value in money of the first requisition you got—A. Around \$20,000.

Q. Did you know at that time there would be anything further coming?—A. I did not know.

By Mr. Kyte:

Q. Mr. Powell, you said in your examination on Friday, that the first intimation that you had that you were to act as agent in purchasing these goods was when Mr. Garland and Mr. Shaver came to see you at the store?—A. Yes, when Mr. Shaver came out to the store.

Q. Mr. Shaver and Mr. Garland?—A. Mr. Garland was at the store when Mr. Shaver came.

Q. This was the question asked you on Friday: "Was Mr. Garland with Mr. Shaver at the time he requested you to act as agent?" Your answer was "Yes." Do you remember giving that evidence?—A. Yes. Mr. Garland was at the store at the time when Mr. Shaver came.

Q. You also state there was nothing said as to your receiving any compensation whatever, that is what you stated on Friday?—A. There was nothing definite stated as to what I was to get out of it.

Q. You said on Friday there was nothing definite stated. No arrangement was made for you to receive any compensation. On page 45 your answer was: "There was no definite arrangement made what I was to get."

The CHAIRMAN: He said there was no definite arrangement made.

Mrs. KYTE: Here is the question: "No arrangement was made for your receiving any compensation?"—A. No.

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Mr. BENNETT (*Simcoe*): That was by way of salary.

By Mr. Kyte:

Q. You were asked; "Did you expect to act gratuitously for the company, Bauer & Black, as their agent in Ottawa, to get nothing for your services?—A. Oh no, I did not expect that, but there was no definite arrangement made what I was to get." Do you mean to say to-day, Mr. Powell, that you are getting the profit on the transaction? That is the impression you are endeavouring to convey to-day?—A. Yes, I got the profit.

Q. Why did you not state on Friday when you were asked as to what compensation you were to get that you were to get the profit on the transaction?—A. Well, I took it to mean: Was there any definite amount set for what I was to get.

Q. We are taking the questions that were put to you. You said on Friday there was no definite arrangement that you were to get the profit. Did you say that?

The CHAIRMAN: The language is plain.

Mr. KYTE: Excuse me, Mr. Chairman, I would like to put two or three questions.

By Mr. Kyte:

Q. Mr. Powell, is it correct that on Friday you did not know definitely what you were to get for your services?—A. I did not know definitely what I was to get.

Q. You did not know definitely on Friday last what you were going to get for your services?—A. No, I did not take it that way.

Q. What will you say then, these are questions asked you: "No arrangement was made for your receiving any compensation?—A. No. Q. Did you expect to act gratuitously for the Company, Bauer & Black, as their agent in Ottawa, to get nothing for your services?—A. Oh, no, I did not expect that, but there was no definite arrangement made what I was to get." That is the statement you made on Friday. To-day you come forward and say that you are getting the profit on the transaction. You did not know it on Friday?—A. I did not understand the question that way on Friday.

Q. How do you come to understand it differently now? Why did you not say so on Friday?—A. I did not understand the question that way.

Mr. BOYES: He did say that, he said he did not expect to act for nothing.

Mr. KYTE: He said what I have quoted, and now he comes forward to-day and says he expects to get a profit out of the transaction.

The CHAIRMAN: He says he expects to get his remuneration from the Government.—A. There was nothing said on Friday about the Department, it was the arrangement with the Company.

Mr. KYTE: Speaking of compensation you say now you are receiving compensation for your service from the Department.

Mr. GERMAN: I do not think anybody misunderstood it or that there is a misunderstanding now.

By Mr. Douglas:

Q. When acting as agent for Bauer & Black you were not, you say, stocking any of these goods whatever? You were only acting as agent, the goods were invoiced direct, you had not even a contract, the shipments were not unpacked in any way, and were shipped direct to the Department?—A. I do not understand.

Q. You did not unpack any of these goods, they were shipped direct by Bauer & Black to the Department?—A. They were shipped to me.

Q. They were shipped to you, but you did not unpack them?—A. No, I did not unpack them.

Q. Are you aware that a commission of 28 per cent to you, acting as a commission man, is an excessive commission when you did not stock the goods nor have anything

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to do with the financing of them?—A. I had to buy my stuff and pay for it, all of these goods did not come from Bauer & Black, some of the small items in that account did not come from them.

Q. What articles were those?—A. There was some stuff in that, the orders for which Bauer & Black could not fill.

Q. You were the agent for somebody else, then?—A. I filled that order here.

Q. Where did you buy that goods?—A. I bought some from John M. Garland, and others from different places in the city.

Q. You mean that you acted as a commission man in the city, and purchased these goods wherever you could buy them, and with regard to those you were not acting as the agent of Bauer & Black?—A. I bought them wherever I could.

Q. And in doing so you were acting as "E. Powell, Wholesale Commission Agent;" I think you must have been if you went out and bought the goods?—A. I bought the goods and delivered them to the Government, goods that Bauer & Black could not supply.

Q. And you still contend that 28 per cent is a legitimate commission for you to get handling those goods as you did?—A. I think so.

Q. Do you not think that with the ordinary commission agent if he gets five to ten per cent he is getting a very large commission?—A. I do not know about that.

Q. You have not had any experience along those lines?—A. No.

By Mr. Kyte:

Q. How long have you been with the Carleton Drug Company?—A. About a year and a half.

Q. Did you state to the Committee already what your salary is, I have forgotten if you did?—A. No, I did not, I was not asked.

Q. What is your salary?—A. About \$75—

Mr. BOYES: Is that a reasonable question?

The CHAIRMAN: He does not object to answering it, what do you say?

An Honourable MEMBER: Would you get \$15 a week?—A. A little more than that.

Mr. GERMAN: If you get this \$8,600 you will not bother about the weekly salary?

By Mr. Proulx:

Q. Do you know who are the shareholders in the Carleton Drug Company?—A. Mr. Garland will know as to that.

Q. Is it an incorporated company or a partnership?—A. Incorporated.

Q. Is it incorporated under the Dominion or Provincial Government?—A. I do not know, he can go into that.

By Mr. Kyte:

Q. Your salary from the Garland Drug Company has, from the time you began purchasing these goods from Bauer & Black, been the same as before?—A. Yes.

Q. Your employers made no deduction from your salary on account of the work you were doing in connection with this matter?—A. No.

Q. Who owns the building where you work?—A. I do not know who owns it.

Q. Does the Carleton Drug Company own it?—A. No.

Q. It is in the building in which the Carleton Drug Company does business that you bought these supplies enumerated here?—A. Yes.

Q. And you did this business during the usual office hours of the company?—A. No, I did this as extra work of my own, I filled in my hours in the Carleton Drug Company and this was extra work.

Q. What are your hours in the Carleton Drug Company?—A. They are pretty long.

Q. Yes, tell us what they are?—A. I have no definite hours.

Q. At what time do you start work in the morning?—A. Eight o'clock.

Q. And how late at night do you work?—A. 10.30 p.m.

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- Q. And those are the hours you work for the Carleton Drug Company?—A. Yes.
- Q. And between those hours you attend to this other matter which is now under investigation?—A. Yes, not necessarily, I might have worked after that.
- Q. Did you ever work after ten o'clock at night?—A. Yes, I have worked after that hour.
- Q. How late did you work?—A. I could not say definitely.
- Q. You ought to know?—A. It all depends upon how much work I have to do.
- Q. Quite so. You worked until twelve o'clock at night sometimes, I suppose?—A. Sometimes.
- Q. You work whenever there is work to be done?—A. Yes.
- Q. Whenever you were summoned to the store you would go?—A. Yes. The store is never supposed to close. We work whenever necessary.
- Q. Have you been working as late since this transaction was completed as you did before?—A. Yes.
- Q. Yes, you have worked the same hours?—A. I cannot say that I did, I do not know.
- Q. This work was done while you were working for the Carleton Drug Company?—A. It was done as extra work, outside my work for the Carleton Drug Company.
- Q. I know it was done outside the ordinary work, but I mean as regards the time?—A. Well, I am serving my time, I am supposed to serve the Carleton Drug Company, and any other work I have to do I must do it outside of that.
- Q. Did you do that after the day's work for the Carleton Drug Company was done?—A. I might have done some of it in store hours.
- Q. You did it at any time of the day when you had no work to do for the Carleton Drug Company?—A. When I was not at work for the Carleton Drug Company. We are always supposed to have something to do when we are on duty.
- Q. I quite understand that you did the work at the time that you were employed by the Carleton Drug Company?—A. But not in the Carleton Drug Company's time.
- Q. You have been employed by the Carleton Drug Company for a year and a half you state?—A. Yes.
- Q. This work has been done within a year and a half?—A. Yes.
- Q. Then you did this work while employed by the Carleton Drug Company?—A. Yes.

By Mr. Boyes:

- Q. On page 45 of the record you were asked by Mr. German (Reads):
- “Q. Did you expect to act gratuitously for the company, Bauer & Black as their agent in Ottawa, to get nothing for your service?—A. Oh, no, I did not expect that.”
- did you understand that to have anything to do with remuneration from the Government?—A. I did not understand the question.
- Q. Read the question I have just referred to, it refers to remuneration from the Company. Do you understand that question of Mr. German's to deal with anything but remuneration from the company as distinguished from the department?—A. From the company.
- Q. It was just from the company?—A. From the company.
- Q. That is what you understood?—A. It was nothing about the department.
- Q. I think you have stated that the total sales amount to \$40,000 odd?—A. Yes.
- Q. Can you say what proportion of that total was subject to tender?—A. No, I cannot say just now.
- Q. Can you say approximately?—A. I haven't figured it out.
- Q. I understand that one or more of the requisitions were bought without tender, and that some other goods were supplied with tender, is that correct?—A. Yes.
- Q. Can you give any idea, approximately, as to what proportion would be on requisition, and what on tender?—A. I cannot give it approximately.

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By Mr. Douglas:

Q. Have you a copy of the tender, Mr. Powell?—A. No.

By Mr. Boyes:

Q. I do not want to delay by going into details, but would it be a half or less than a half?—A. Less than a half.

Q. Would you say the division would be \$15,000 and \$25,000? Would that be approximately right, do you think?—A. There was not that much on tender.

Q. Would it run \$10,000 do you suppose?—A. Well, we will not delay while you work that out, but will you file a statement showing the relative proportions?—A. Yes.

Q. I wanted to find out, let us get the figures right; by your bank book the profit on this transaction was placed at about \$6,000.—A. It was about \$6,300.

Q. Will you turn to your bank book and let us know the exact figures?—A. A little over \$6,300.

Q. Less than \$6,400?—A. Yes.

Q. Very well, and on page 23 we find that the total of the goods not paid for is \$2,601.77?—A. Yes.

Q. Then the two items make the full profit?—A. Yes.

Q. If you get the balance, \$2,601.77?—A. Yes.

Q. Now then did you get, or do you expect to get, any remuneration from the Company?—A. No.

Q. From Bauer & Black?—A. No.

By Mr. Proulx:

Q. Do you expect to get any remuneration from Mr. Garland? —A. No.

By Mr. Kyté:

Q. You paid Bauer & Black by cheque, did you?—A. By draft.

Q. By draft in favour of Bauer & Black, Chicago, or in whose favour?—A. Bauer & Black's.

Q. What time did you send the draft? Can you tell the Committee when you made the payment?—A. There are several drafts.

Q. That is as the goods were delivered to the Government?—A. Yes.

Q. You received a cheque from the Government, and forwarded to Bauer & Black?—A. They drew on me, it was all paid through drafts.

Q. After you had received the amount from the Government?—A. Yes.

Q. You invested no capital at all of your own in the transaction?—A. No.

By Mr. Martin (Regina):

Q. I understand that goods to the amount of about \$18,000 out of \$41,000 supplied to the Government were bought from Bauer & Black?—A. No.

Q. What was the amount of your purchases from Bauer & Black? What amount of the purchases from Bauer & Black did you supply to the Government?—A. I could not give you that offhand.

Q. The amount of the drafts will show that, you can get it from the bank book. What I want to find out is the total amount of goods you purchased from Bauer & Black; the balance you got from the druggists in the city of Ottawa. Is that correct?—A. Not necessarily from druggists, but I got some goods from other places.

Q. What I want to know is this: what was the amount of your purchases from druggists in the city of Ottawa?—A. They were not all made from druggists.

Q. Well, take it from everywhere, all the goods you got in the city of Ottawa—A. I could not say just what it was, but it was not a very large amount.

Q. Would it be thousands of dollars?—A. I do not know, I cannot say just what it was.

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Q. That is a thing I personally would like to find out. When you are giving this other statement, you might do that. From whom did you buy these supplies in the city of Ottawa? You mentioned one name a while ago?—A. Different places, small stuff you know.

Q. What were the names of the merchants from whom you bought?—A. J. M. Garland, Son & Co. was one.

Q. Who is J. M. Garland?—A. A wholesale house.

Q. Is he a brother of W. F. Garland?—A. No relation at all.

Q. Who else did you buy from?—A. From a man named Leslie.

Q. Well now, in buying these goods, did you pay retail prices in these stores?—A. They are wholesale. In some cases I did.

Q. In some cases you paid retail prices. What price did you charge when you negotiated your sale to the Government on this retail price?—A. Practically they are all wholesale firms I bought from.

Q. You must have got wholesale prices in every case then? Did you say "practically"?—Yes, I got wholesale price.

Q. Did you buy any of these goods you supplied to the Government from retail firms in the city of Ottawa?—A. Not outside of some cans that I had made.

Q. That is the only retail items you did buy?—A. That is about all.

Q. What profit did you add on any retail price that you bought in your business with the Government?—A. I cannot say what the profit was on that.

Q. Did you not have some system of adjusting your prices?—A. Anything that was bought from the retail, for instance, cans for that plaster of Paris, and things that were to be put up—

Q. What was the value of those?—A. I did not put an estimate on the cans.

Q. Who helped you to fix your prices in these items?—A. I fixed them myself.

Q. How long have you been in the drug business?—A. About five years.

By Mr. Maclean (Halifax):

Q. What do you add as a profit to these goods, to the price of the goods bought from persons other than Bauer & Black? You have not answered Mr. Martin's question?—A. I added about the same profit as I did to Bauer & Black.

Q. You added about 28 per cent?—A. Between 20 and 28 per cent.

Q. Who gave you the orders for those goods? Who requested you to purchase them for the department? I am not talking about Bauer & Black, but those other goods,—who requested you to purchase them?—A. They were on the requisition, and Bauer & Black did not carry that stuff.

Q. What was that?—A. That stuff was included in the requisition.

Q. I see.

THE CHAIRMAN.—He says Bauer & Black did not carry it and he knew where they could get it.

By Mr. Kyte:

Q. You charged 50 per cent profit on some of the articles. For instance, surgeons needles, you paid 25 cents, and charged 50 cents?—A. Sometimes on small items I charged more than that. I averaged 28 per cent.

Q. What did you charge upon the goods you bought in Ottawa?—A. I cannot say definitely.

Q. Was it 50 or 28 or 40 per cent?—A. I cannot say.

Q. You said a moment ago that you charged about 28 per cent. You say 28 per cent was the average profit; but some items you charged as high as 50 per cent. Can you recollect whether it was 50 or 30 per cent that you charged upon the goods you purchased here in Ottawa?—A. I cannot say.

Q. You have no recollection at all?—A. I cannot say definitely.

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Q. Have you anything there among your papers that would refresh your memory, are the invoices there?—A. I have some. I cannot give it in detail.

Q. Why can you not?

Mr. GERMAN.—The prices of this first requisition are all there now.

By Mr. German:

Q. Just one question. I thought you answered it the other day. In all these goods, Mr. Powell, that came from Bauer & Black, the invoices to you covered duty paid? You did not pay any duty?—A. The invoices covered duty.

Witness retired.

The WITNESS.—I want to know definitely regarding that statement required.

Mr. FRIPP.—The list of goods you bought in Ottawa, the price paid, and the profit added.

Mr. BOYS.—The difference between the goods on the requisition, and the goods on the tender.

Mr. FRIPP.—And the prices sold lower than they were purchased for.

Lt. Col. W. G. HURDMAN called, sworn and examined.

By Mr. German:

Q. Colonel, you are in the Militia Department of the Government?—A. I am.

Q. And in what capacity, please?—A.. As an inspector.

Q. As an inspector?—A. My official title is Inspector of Carriages, that covers a lot of stuff—Inspector of Carriages, and Military Stores, gun carriages, transport and technical stores of all descriptions.

Q. Mr. Brown, Director of Contracts of your Department, stated on Friday that binoculars for the Over-seas contingent were purchased under your direction and by you?—A. No. I did not purchase any.

Q. Well, that it was under your direction?—A. No, not under my direction, the purchase at all. I am an inspector.

Q. Then, we will get at just what he did say in the evidence.—A. You will find it on page 40.

Q. In which reference is made to—A. Where my name appears.

Q. Yes. Now, you see what he says there that inquiries were made regarding binoculars and that inquiries were made by you.—A. Yes, from different firms.

Q. What firms did you make inquiries from?—A. I made inquiries from all the firms in the city who carry binoculars, jewelry and optician people.

Q. Would you be good enough to give their names?—A. Bilsky & Sons.

By Mr. Bennett (Simcoe):.

Q. Were you looking for second-hand ones?—A. No, they were the first on my way up town. Then, I went into McMillan's on Sparks St.; and Birks; the Ottawa Optical Co.; what is that jeweler there on Sparks St. ?—Topley's; and two other jewelers on Sparks St., I cannot think of, one on the right hand side—Wilmot. And I made inquiries from these. The Birks people telephoned to Montreal to find out what they had there. At the time I located between Ottawa and Montreal about 120 binoculars.

Q. Who is the Consolidated Optical Co.?—A. They are a Toronto store, the Consolidated Optical Co., of Toronto.

Q. Did you communicate with them?—A. No, I did not personally communicate with them.

Q. Did you know of the existence of that company?—A. Yes.

Q. You did not communicate with them. From whom did you get a requisition for the purchase of binoculars?—A. I did not get a requisition from any one for the purchase of binoculars. I have not to do with the purchasing in any shape or form.

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Q. From whom did you get instruction to make inquiry?—A. I practically did it of my own initiative to see what we could do. I have been in this business before, and understand it thoroughly.

Q. You knew then, Colonel, that binoculars would be required? And in your capacity as inspector you set out to make some inquiries where they could be got and at what price?—A. Mr. Brown may have asked me where could these be procured, and I knew at that time that they were practically contraband of war, and the question was how to procure them. At that time there was a requisition in for 600. I sent a report in to the department of what could be located, and I thought perhaps the 600 could be picked up throughout the different cities of the Dominion. We were very busy at the time, driven to death, working night and day.

Q. You made inquiries in Ottawa?—A. I did.

Q. And did you find that quantities of binoculars could be purchased from these firms in Ottawa?—A. I found that about 120 could be purchased between what was in Ottawa and what Birks had in their reserve stock at Montreal.

Q. How many could the Topley's furnish?—A. I think they furnished about 40 or 46 on their list. The Ontario Hughes-Owens people was where I got a number.

Q. Was there any other company you inquired of except those you have already mentioned?—A. Practically all the jewelers and opticians in the city of Ottawa, with the Ontario Hughes-Owens Co., and the Topley people.

Q. Was there any other stores from which you endeavoured to get information as to the sale of binoculars?—A. No, I sent my report in to the department, to the Director of Contracts, and the question was settled by Messrs. P. W. Ellis & Co.

Q. You sent in your report in to the department?—A. Yes.

Q. A written report?—A. Yes.

Q. As the result of your inquiries?—A. The result of my inquiries.

Q. Showing the number from each person and showing all the persons from whom you made inquiries, and all the sources of information that you had? You put that all in writing?—A. All in writing.

Q. And that is on file in the Department?—A. I suppose so.

Q. What further connection did you have with the matter?—A. I had no further connection except when they came in I inspected them to see if they were all right, to approve of their being received.

Q. Did you have any conversation with the Minister about purchasing the binoculars?—A. I had not, not at that time, and I do not know that I had at any time, personally, about the purchasing.

Q. Mr. Brown told us the other day that he had nothing to do with the purchase of binoculars. Do you know how it happened that the P. W. Ellis Co., of Toronto, came to be selected to purchase the binoculars?—A. Yes, I think I do, in a way. It was a difficult matter to get them, they could not be had anywhere, and the P. W. Ellis Company are connected, through their business transactions in places all over the Dominion, with every person dealing in that line of goods. They had their representatives all around, and they were, I understand, given authority to practically comb the Dominion of Canada.

Q. From what source did they get the authority?—A. I understand from the Minister. They were practically contractors, that is my understanding. I have been told by Mr. Brown that the P. W. Ellis Company were buying them, and I know that they were coming in.

Q. At any rate that covers your knowledge of the affair?—A. Yes.

By Mr. Blain:

Q. How were the prices paid by the Government for these glasses?—A. I considered the prices were very fair and reasonable under the circumstances. Letters came in from a great many of these people stating that they were cutting the price

Lt.-Colonel HURDMAN.

down, and that they were willing to do anything they could; I have received letters to that effect, and in other cases they were taking the discount off, allowing 10 or 15 per cent discount.

By Mr. Martin (Regina):

Q. Yes, the P. W. Ellis Company got 10 per cent?—A. I do not mean that persons who sold them added that to the cost price, but they allowed the discount off the regular price. I know cases where in invoices to the Government the prices were cut down.

Q. Did not the P. W. Ellis Company get a commission on every pair of glasses purchased?—A. Yes, they bought and paid for them.

Q. And the price paid the P. W. Ellis Company was \$57.50 each?—A. Not that I know of.

Q. Do you know what price was paid?—A. I understand they got 10 per cent over the actual cost.

Q. But you do not know the actual price paid?—A. No; I saw all the invoices at the time, the invoices all came to me.

Q. Are you connected with the Keystone Company in Ottawa?—A. I do not know them, more than any other company.

Q. Are you a shareholder in that company?—No, I wasn't in either of the two companies that have been supplying goods.

Q. Do you know they have supplied binoculars to the Government?—A. They supplied some.

Q. Did they supply them direct to the Government?—A. No, they came through the P. W. Ellis Company.

Q. You knew they had binoculars and that they sold them to the Government through the P. W. Ellis Company?—A. I did.

Q. You know the price they got?—A. I could not tell; I know that the class of goods they supplied was A1.

By Mr. Blain:

Q. You say that the Government purchased these articles at a fair and reasonable price?—A. Under the circumstances, I consider the price was fair and reasonable, and, moreover, it is a less price than what we are paying for them now.

Q. What was your business before entering the service of the Government?—A. I was in the jewellery and optical business for some years, and before that I was in the lumber business.

By Mr. Fripp:

Q. I do not understand how you came into this matter at all. You are in the artillery branch?—A. Well, binoculars are one of the things the artillery must have.

Q. Was there a demand for binoculars at that particular time?—A. Yes, there was a large demand; the artillery must have binoculars; and the reason for my coming in on the binoculars was because they are classed under "Range Finding."

Q. Do they come into your branch for inspection?—A. Yes, they come to me for inspection. We take all technical stores, range finding, directors, all with prism glasses, and these glasses come under prismatics.

Q. How long have you been in the Department?—A. I have been connected with the Department since 1907, when the Department took over my time altogether. Previous to that I had been inspecting stores for artillery equipment, and stuff like that, from 1898, I think it was, '98 or '99. I was on Boards, and after I came back from South Africa inspecting technical stores.

Witness discharged.

Committee adjourned until 11 o'clock to-morrow.

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HOUSE OF COMMONS,
ROOM 100.

TUESDAY, March 23, 1915.

The Select Standing Committee on Public Accounts met at 11 a.m., Mr. Morphy in the absence of Mr. Middlebro, Chairman.

The Committee proceeded to the further consideration of "Sessional Papers numbered 122 of the present session of Parliament and all other papers in relation thereto, being copies of correspondence between the Auditor General and the Department of Militia and other departments of the Government, laid upon the table of the House in respect to expenditures under the War Appropriation Act," referred to them by the House.

Mr. Stockton, of the Auditor General's staff, produced papers asked for with reference to the purchase of remounts from the Auditor General's Department.

The Clerk reported that since the last meeting he had received the following telegram: (Reads)

"THOS. S. HOWE,

" Clerk of Committee,

" House of Commons, Ottawa, Ont.

" WEST TORONTO, ONT.,

" March 22, 1915.

" Mr. T. A. Russell left last week for Western Canada, probably absent two or three weeks you can communicate with him by wire to-morrow care Russell Motor Company, Calgary.

" RUSSELL MOTOR CAR CO."

Mr. D. D. MCKENZIE: Has the witness Russell been served with the subpoena?

The CLERK: I do not know about that. The subpoena went forward in the usual form by registered letter. They evidently got the subpoena at Mr. Russell's office.

Mr. GERMAN: I think Mr. Russell was not served because the telegram states that he left three or four days ago—last week.

Mr. W. J. SHAVER called, sworn and examined.

By Mr. German:

Q. You reside in Toronto, Mr. Shaver?—A. Yes.

Q. And you are, I believe, the Canadian representative of Bauer & Black of Chicago?—A. Yes.

Q. Wholesale Druggists and manufacturers, I think?—A. Wholesale manufacturers of surgical dressings, not druggists at all.

Q. Did you last summer become aware that the Government of Canada required a considerable amount of surgical dressing material?—A. Not last summer.

Q. When did you become aware of the fact?—A. When I got to Ottawa on my regular trip.

Q. What time of year was that?—A. I could not give you the date. I know that it was just at the outbreak of the war—somewhere around there.

Q. In August—that was last summer?—A. Yes—it was not until I came here.

Q. You were not aware of the fact until you reached Ottawa?—A. Oh no.

Q. From what source did you learn it at Ottawa?—A. I learned from two or three sources; from two or three of my customers that there would be something doing in that line.

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Q. Having learned that, what did you do?—A. I endeavoured to get into touch with the purchasing department, Mr. Brown's office.

Q. The purchasing Branch of the Militia Department?—A. Yes.

Q. Mr. Brown's office.—Did you know Mr. Brown?—A. Oh no.

Q. How did you learn who was in charge of the purchasing?—A. Well, I heard it from several druggists who told me that was the place to go.

Q. And did you go to see Mr. Brown?—A. No, I went to see Colonel Jones.

Q. And then what conversation did you have with Colonel Jones?—A. He said that the Government would not do business direct, although he regretted it.

Q. That the Government would not do the business direct: that is direct with your Company?—A. Sure.

Q. Your Company was prepared to do business directly with the Government?—

A. If the Government saw fit to do business with us as we do in other countries.

By Hon. Mr. Reid:

Q. Was there anyone present when Colonel Jones made that statement?—A. Well, I could not say. Major Drum was in the room and two or three officers sitting around. He said that he would like to do the business direct, that much as he would like to do so he could not do it.

By Mr. German:

Q. Well, then, having ascertained that what did you do?—A. I telephoned Mr. Garland.

Q. And you have known Mr. Garland before, I presume, as being in the drug business?—A. Oh, certainly.

Q. And you do business with him?—A. Surely.

Q. You telephoned Mr. Garland, and the fact that he was a representative in Parliament and a supporter of the Government had something to do with you telephoning?—A. No, he telephoned to me. I did not telephone to him; he telephoned to me.

Q. And what did he say in his telephone communication?—A. Well, he said the best way to do would be to appoint some person to handle goods on the ground.

Q. Now, Mr. Shaver, how long after you had your conversation with Colonel Jones and he told you they would not do business directly with your company was it that Mr. Garland telephoned you?—A. I would suppose it would be sometime that same afternoon or perhaps it might be that evening.

Q. It would be that afternoon or evening?—A. Something about that time.

Q. And had you, between the time of your conversation with Colonel Jones and Mr. Garland calling you on the telephone, had any conversation with Mr. Garland to tell him the Government would not do business directly with you?—A. Oh no, I had no communication with him at all but I intimated it to him on the telephone.

Q. But regardless of what you intimated to him he got to know that the Government would not do business with you?—A. He did not exactly know it but he said he understood it that these contracts or these requisitions were being filled by local people in other lines and he was not surprised that the Government would not do business direct with me; that they were doing business with local people.

Q. He was not surprised, and I am not either. You had your conversation with Mr. Garland and he suggested that you should appoint a local man?—A. That is what I was looking for; I said I wanted to get a local man.

Q. What did Mr. Garland say in reply to that?—A. I asked him why the Carleton Drug Company could not handle the stuff and he replied, "No chance, you have to get some outside man."

By Mr. Bennett (Simcoe):

Q. Mr. Garland said that?—A. Yes.

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By Mr. German:

Q. Then what else happened?—A. I was introduced to Mr. Powell.

Q. Who introduced you?—A. Mr. Garland.

Q. And you appointed Mr. Powell?—A. Right there.

Q. Now, Mr. Powell said he was appointed very very quickly by you, simply to transact this business with the Government?—A. Yes, sure.

Q. That was all?—A. That was all.

Q. He was not to transact any other business for your company?—A. No, no, just to handle that requisition, that is all.

Q. And when Mr. Powell received the requisition from the Government he tells us he handed it over to you?—A. The requisitions were all typewritten, in Mr. E. Powell's name, as our representative, and he took them.

Q. And you took them and sent them in to your office at Chicago and the order was filled there?—A. And we billed the goods to Mr. Powell.

Q. And you were paid for them, and that is all your connection with it, I presume?—A. That is the idea.

Q. It was nothing to you who supplied the Government, or how they were charged, or what price they were charged, as long as you fulfilled your obligation?—A. We had a satisfactory price, and he could charge what he liked.

Q. It is not necessary to ask you: You had nothing to do with fixing the price to the Government?—A. No, no, that was not discussed at all, that was up to the contractor.

Q. Have you, I suppose you have not, copies of the invoices for the goods that you sent to Mr. Powell?—A. Have I them here?

Q. Yes?—A. Oh, no, no.

Q. Where are they? They are doubtless correct because they are on your paper?—A. Certainly. (Invoices produced by Mr. Powell handed to witness.) Those are the invoices, sure.

Q. Those are all your Company's invoices?—A. Oh, yes, these are the original invoices.

Q. And, as stated by Mr. Powell, the prices shown in these invoices are the prices including duty?—A. I beg pardon?

Q. Mr. Powell says that he paid no duty?—A. He paid no duty, and no freight.

Q. They were f.o.b. at Ottawa?—A. F.o.b. at the Militia Stores, right down there at the stores.

Q. Then he paid no carting nor anything else?—A. There may have been some other cost, this was a rush order, and there may have been some cost where they would have goods sent up late on Saturday night to get some shipment through, the same as we paid \$24 express charges on one case on a rush order, and we did not charge anybody with that; it was a rush shipment.

By the Chairman:

Q. Mr. Powell swears that his outlay for that would be something like \$50 on the whole consignment. That would not be out of the way?—A. Oh, I do not think so.

By Hon. Mr. Reid:

Q. You stated a few minutes ago that when you came to Ottawa in August last, you were informed that if you wished to get any business in connection with the Militia Department you would have to see the Director of Contracts, Mr. Brown?—A. I was told that that was the office to go to.

Q. So you understood that was the office to go to?—A. Yes, I understood that was the place to go.

Q. You said you never went to see Mr. Brown?—A. Because I found out that the requisitions had to be passed before you could get the contract. Mr. Brown, I under-

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stood, did not make out these items. The parties who told me evidently thought he did.

Q. You went to see Colonel Jones?—A. He was the man as I understood that made out these requisitions. He was surgeon and he was the man—whatever Colonel Jones ordered, as they told me, was what was wanted.

Q. Did you go to Mr. Brown at all and tell him that you wished to do business?—A. I did not go to Mr. Brown.

Q. You never saw him at all?—A. I saw him once for about ten minutes with Mr. Garland, who introduced me to him.

Q. Did you tell Mr. Brown that Colonel Jones told you that statement made by you?—A. No, sir, not as far as I can remember.

Q. So that Mr. Brown knew nothing whatever about that statement of Colonel Jones as far as you know?—A. I do not think I ever repeated that excepting until now; I do not think so, as far as I can remember, because that is what I wanted to do when I left Chicago. Mr. Black told me—No, when I got into Chicago with this order—the rush order that Colonel Jones was so nervous about not being here in time—I said I will take this in myself. Mr. Black said: Why can't the Government buy these things from us? I said: "Mr. Black, you do not understand the conditions. They won't do business that way. There is a pile of duty here, some commission." "All right," he said, "but we do business directly with Washington." I said "They won't do business in Canada that way. There is no use arguing it." He said: "All right, you are handling it."

Q. As a matter of fact, you never went to the fountainhead of the Militia Department, the Minister, and asked for any contracts?—A. No, I never asked for any contract, I simply got the contract for that first requisition, and went to Mr. Brown and had him sign it. He signed the requisition that Colonel Jones made out, and that night I took the train.

Q. There is no evidence to show that this Government would not have done business direct with the fountainhead, if you had given them an opportunity of doing so?

Mr. GERMAN: Excepting Jones's statement.

Hon. Mr. REID: He is not the Government.

Mr. GERMAN: Well, he is a representative of the Government.

By Mr. Blain:

Q. Mr. Shaver, when you suggested that the Garland Company should act as your agent, what answer did you get?—A. Oh, Mr. Garland would not touch it at all.

Q. Why?—A. Well, he said, he did not say why, he did not give me any reasons for it. He said: Nothing doing, you will have to get an outside man, you will have to get somebody, an outside man.

By Mr. Kyte:

Q. He did not go very far outside?—A. That, I do not know. I do not know anything about that.

By Mr. Blain:

Q. I suppose you understood he was a member of parliament, and because of that he could not do business with the Government?—A. I heard that afterwards, I did not know that at the time. I did not know he was a member of parliament at all. I did not know until after I was in Ottawa and had got other contracts from outside people. I got outside contracts from people besides Mr. Powell in Ottawa.

Q. Did any of these goods reach the Government?—A. Oh, yes.

Q. You got outside contracts?—A. Amongst the druggists, the same line of goods.

Q. For the Government, did these goods go to the Government?—A. The very same way it was done, except they had the contract; the requisitions go to them to be filled. I had sold goods in Winnipeg, to parties in Winnipeg, the same line of goods.

Mr. W. J. SHAVER.

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By Mr. Hughes (Kings):

Q. Did Mr. Garland suggest that he could get somebody to act here for you?—A. He suggested Mr. Powell.

By Mr. Davidson:

Q. Mr. Jones intimated to you that this custom of dealing through some local man was a practice that had always been followed by the Government, it was not a new thing?—A. He did not say particularly Ottawa people. He did not say as to that. He said he regretted it, but he said that is the way it has got to be done. And I spoke about the duty. He said: There is no use discussing that, it is the price of the goods laid down in Ottawa through some local man either here or somewhere else in Canada.

By Mr. McKenzie:

Q. Did I understand you to say that you sold goods to the Government not only through Mr. Powell but through other parties in the city?—A. Yes, sir.

Q. Who are the other agents that you had here beside Mr. Powell, and what is the nature of the goods that you sold?—A. The very same class of goods, surgical supplies. They came through Mr. Weldon Graham and through Mr. Harrison; quite good-sized orders too, same prices, same goods.

By Hon. Mr. Reid:

Q. You charged them all the same price?—A. Yes, sir.

By the Chairman:

Q. These are Ottawa prices?—A. Yes, sir.

By Mr. McKenzie:

Q. Was Mr. Powell the first man you appointed as agent for your house?—A. Well, I do not know as to that, I could not say as to that. The requisitions were going out. The first one, the large order, of course, was first—I cannot say just exactly as to the time of that.

Q. I asked you: Did you sell goods to other people besides Mr. Powell for the Government?—A. Oh, yes.

Q. Unless they were acting as your agent, as intermediaries between yourself and the Government, how did you know they were for the Government?—A. By the class of goods, and the quantity. They were surgical goods, compressed bandages and gauzes and stuff of that kind. Druggists do not use that stuff. Nobody but a Government would.

Q. You have another agent here as such without Mr. Powell?—A. You can call it an agent. They were all agents, any person who will act for you.

Q. They were acting for you?—A. Oh, yes. They were receiving requisitions, and not only here but in other parts of the country.

Q. Mr. Powell was only in the same position as several others in the city doing business with you?—A. Certainly, that is all.

Q. Well, now, Mr. Garland recommended Mr. Powell. Did you receive recommendations for your other agents here?—A. No, they phoned me, and I was in communication with them, doing business in the regular way. They had these requisitions and asked us to quote on them. I did.

By Hon. Mr. Reid:

Q. And gave the same prices?—A. Oh, yes, we only have the one price.

By Mr. McKenzie:

Q. Can you tell us definitely who they were?—A. We sold goods to Mr. Graham and Mr. Harrison in Ottawa.

By Mr. Kyte:

Q. Any others?—A. No, I do not think so, not anybody else.

Q. To whom did you give the first order, or through whom did you deliver the first lot of goods or make the first sale, through Powell, Harrison or Graham?—A. I think the first order, the large order I took to Chicago, that was sent to Mr. Powell. I do not know whether they arrived any sooner than the other goods or not. But I took that order myself into Chicago, because there was a lot of detail I had to look up, ligatures, surgeon's needles, sutures and things of that kind requiring a lot of detail work you cannot do by correspondence. After I came back I got these other orders.

Q. You had no communication with Colonel Jones as to the other orders?—A. They were to be B. & B., the same as the Government were ordering, according to the requisition.

Q. You could not sell direct to the Department, you knew that perfectly?—A. We could not sell direct. That is what we wanted to do.

By Hon. Mr. Reid:

Q. You did not get that information from anyone but Jones?

MR. KYTE: Jones was high up in the department.

THE WITNESS: He was the man who made up the requisition.

By Hon. Mr. Reid:

Q. But it goes to the Director of contracts to be authorized. You did not go to the man who made the contracts?—A. Colonel Jones was the surgeon.

Q. Brown is the man that makes the contracts, not Jones?

By Mr. McKenzie:

Q. He simply check marks the contract?—A. Signs them.

By Mr. Kyte:

Q. Powell was no more than Harrison or Graham?—A. He was no more. Still at the same time, they were all agents in the same sense, they were contractors, that is what they were. Because these requisitions were being given out to them. If it was necessary to do business with the Government these requisitions would not have been given out if the Government would have done business direct. If the Government were willing to do business with B. & B. direct, what was the common sense of sending them as far as Winnipeg and Halifax. The fact is patent on the face they were not doing business direct. It may have been changed after, I do not know.

By Mr. Hughes (Kings):

Q. Did Mr. Garland tell you that you could not get an order from the Government? A. No, no, he did not tell me that. I told him what Colonel Jones said, and he said he was not surprised, he understood in other lines of business it was done the same way.

Q. That was the way business was done?—A. Yes.

By Mr. McKenzie:

Q. Evidently Mr. Garland sought you out. You did not look for him. He called you on the phone?—A. He did not call me up more than Mr. Graham did or Mr. Harrison, or numbers of other people. They wanted goods; they wanted to know where they could get these goods quick.

Q. He approached you with the view of doing business?—A. Yes.

MR. W. J. SHAVER.

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By Hon. Mr. Reid:

Q. Were you selling the Carleton Drug Co. other goods besides these?—A. I have sold them goods for years, fifteen years.

By Mr. Kyte:

Q. I understood you to say that you received the requisition yourself from Dr. Jones?—A. I received it personally from Colonel Jones.

Q. And you took it to Chicago to have it filled?—A. I took it to Mr. Brown first, with Mr. Garland, and he signed it. And it was a question of expediency. Colonel Jones phoned me: When are you going back? I said: I am going tonight. He said: The sooner the better.

By Mr. McKenzie:

Q. Supposing in peace times, in the ordinary course of business, you had, say, an agent at Vancouver, how is he paid, how is he remunerated for his services?—A. Well, we do not as a rule, have agents except in a terrible condition that we have on hand now. We do our business generally direct from the factory, the way we have always done. We would not have had agents now if things had been different.

Q. I suppose such a custom as that—a middleman taking your goods while they are in transit direct and raising your prices—is something unknown to your house, selling them at a higher price when they leave your hands?—A. We cannot regulate that. If we sell goods to Lymans, or the National Drug Co., we sell them to them, and the jobber is the man who fixes the prices.

By Mr. Blain:

Q. Did you expect that Powell would sell these goods to the Government at exactly the price he paid for them?—A. Not likely.

Q. It would be very unusual if he did. Or anybody else?—A. Or anybody else.

Q. Or anybody else buying goods in Canada from you, you would expect them to re-sell those goods and make some profit?—A. We would expect them to do so, yes.

By Mr. Kyte:

Q. Do they usually sell them at 100 per cent. profit?—A. Oh, that is a question.

Q. That is not the usual profit?—A. Oh, no.

Hon. Mr. REID: There is no evidence that there was 100 per cent profit.

Mr. KYTE: There is evidence of that.

By Mr. Blain:

Q. Mr. Powell said that on the goods sold to the Government he received 28 per cent. profit. Would you regard that as excessive, taking the whole order?—A. Taking the order as a whole I would not consider it excessive, considering the strenuousness of the order, and the amount of money paid out for telegrams and expenses of getting it. We want to get our goods into the Government like we have into the Governments of Europe, and, as I say, we spent \$24 on express charges on one shipment alone, and we did not charge that to anybody; I also went to Chicago myself at my own expense—Bauer & Black paid that.

By Mr. McKenzie:

Q. Did it not rather tend to retard business between you and the Government than to expedite it to do your business through an agent?—A. That was not our fault.

Q. I am not blaming you, but I am asking you that question?—A. I do not think so.

Q. Could you not deal more speedily with the Department, dealing with them yourself, direct, than through an agent?—A. We have not that privilege.

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Q. But if you had that privilege, could you not do so, that is the question I am asking.—A. I do not know, it all depends upon the amount of stuff they would want to use.

Mr. KYTE: You have the amount they got right there.

By Mr. McKenzie:

Q. In this case did it enable you to deliver your goods quicker——

Hon. Mr. REID: Or as quickly?

By Mr. McKenzie:

Q. Quicker to the Department because there was another man in the business?—

A. Oh, I do not think that there could have been anybody deliver the goods any quicker than we did. We simply had our brokers in Toronto going all one Sunday, and day and night getting our shipments through.

Q. There was no necessity for a middleman at all, as far as you understand?—

A. I do not know, the Government ought to know about that.

Q. As far as your business is concerned do you know any reason for a middleman being employed?—A. I do not know any reason for a middleman at all, in any business.

By Mr. Kyte:

Q. You would have sold to the Government at the same price you sold to Mr. Powell?—A. Exactly, those were net bottom prices.

Q. Speaking of profits, "Bandages 2½-inch by 6-inch compressed per gross" you charge \$8, and Mr. Powell sold them to the Government for \$12. That is 50 per cent profit. Is not that rather large profit for that order?—A. It might be for that one article.

Q. Now there are other articles here, "Absorbent gauze, 36 by 2½ per dozen" Mr. Powell paid \$1 and sold to the Department for \$1.80, that is a pretty good profit?

Hon. Mr. REID: Those are correct prices, are they?

By Mr. Kyte:

Q. That is an unusually large profit, Mr. Shaver, for that particular order?—A. I would not consider it unusually large.

Q. Not if any body was foolish enough to pay that much. But in the ordinary course of business is that profit usual?—A. Oh, I think——

Q. That is 80 per cent profit?—A. We often sell a thousand to the hospitals.

Q. By retail?—A. No, but in large quantities, I think they get that profit on those goods, I think they do; of course the sale of these goods is limited, that is a small quantity order.

Q. But the sale was not limited in this case?—A. That is a small part of the order, that is not the bulk of the order; there are some articles there the prices of which are very fair.

Q. Of course Bauer & Black had their profit on the first price, that goes without saying?—A. How do you mean profit? We had a profit upon the whole lot of goods we sold.

Q. And you had your profit on each item?—A. Certainly.

Q. Take the case of gauze, absorbent, you sold them at one dollar, that represents the value of the goods, and your profit?

Hon. Mr. REID: That is the wholesale price, is it not?—A. That would be the wholesale price.

By Mr. Kyte:

Q. That represents the actual cost of the goods and Bauer & Black's profit, that one dollar, doesn't it?—A. Of course there was very little profit in that to us

Q. But it must be sufficient or you would not be handling them?—A. Yes, a small profit, 2 or 3 per cent.

Q. And this middleman sold that same article to the Government at 80 per cent profit?—A. Of course that has nothing to do with our price, we cannot help that.

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Q. You could not help that?—A. Of course men's idea of profits differ, no two men have the same idea of profits, they all have different ideas; a man with a big business takes a small percentage of profit.

Q. It depends upon the volume of trade?—A. It depends upon the trade, and upon how cheap a man's business can be run. These are rock bottom figures to anybody. Those are the prices we charge to the French Government, to the British Government, and the Russian Government for hundreds of carloads of goods.

Q. In this case you sold to Mr. Powell at the same price you charged to the other Governments when selling direct?—A. At the same price we charged to Washington, exactly.

Q. And you would have sold them to this Government at the same prices?—A. Exactly, if we had the opportunity.

By Mr. Blain:

Q. In this same list I notice, "Gauze plain, 2½ yards packets," your price to Mr. Powell was 23½ cents and the Government paid 30 cents; do you regard that as excessive?—A. No, a very, very small and shallow profit.

Q. The next article on the list is, "Gauze plain compressed," your price was 25 cents and it was sold to the Government for 40 cents; and the next is the same article in five yard rolls per dozen \$5.25 to Mr. Powell, who sold to the Government for \$6, do you regard that as excessive?—A. No, those are not excessive profits, they are very small profits.

Q. The next is, "Gauze sublimated 2½ yard packages," and your price to Mr. Powell was 42½ cents and the price to the Government was 50 cents, how is that?—A. There is another matter to be considered there, those prices that they received there offset the other prices.

Q. "Ligatures, silk braided," your price to Mr. Powell 22½ cents and sold to the Government at 30 cents; "Silk worm gut (100 strings)," 63 cents and sold to the Government at 75 cents, is that excessive?—A. I am very much surprised that they were sold to the Government at that price, it was hardly worth handling.

Q. "Silk oil, 5 yard rolls," your price is \$6, is that correct, do you remember?—A. Yes.

Q. And he sold that to the Government at \$5.30.—A. \$5.30?

Q. He sold at a loss, and the next item, "Silk oil 1 yard roll," your price was \$1.30?—A. \$1.30.

Q. And he sold it to the Government at \$1.20. I am not saying that is business, but I am pointing out that in some cases in this list the prices may have been high, in other cases they were very low and in some cases there was no profit at all?—A. The high prices offset the low prices.

Q. But on the whole Mr. Powell said his profit was 28 per cent on the total amount of the goods sold by him to the Government, and you say that is not excessive?—A. Not at all excessive for handling, financing, and all that sort of thing, and putting those orders through.

By Mr. Kyte:

Q. There would be no expenses?—A. There was not a great deal of expense, but there was a good deal of trouble. They had a lot of trouble and expense telegraphing to Toronto and Chicago about these shipments, even going down on Sunday and at night to look after them. In fact we appointed Pringle and Cameron our special brokers here to get these things through.

Q. Mr. Powell could send a great many telegrams for \$9,000, couldn't he?—A. Yes.

By Mr. German:

Q. It was stated in evidence here by Mr. Brown, the Director of Contracts, that you said, when you and Mr. Garland saw him, that you could not give a price on this quantity of goods for which the requisition was made out, and that in consequence

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of the peculiar nature of the stuff you could not discuss the matter with him at all. He must be mistaken in that, evidently?—A. No, he was mistaken, he asked me for prices, for an offhand price, and I told him nobody could give him an offhand price on that first field dressing which was a British Army pattern. He asked me to look at it and I opened it up to look at it, and said it would be somewhere about 18 cents, as an offhand price, or it might be better than that.

By Hon. Mr. Reid:

Q. Then he evidently tried to do business with you?—A. Yes, that is the first field dressing package, of course he had it there, it was not on the requisition made by Colonel Jones.

Q. At the same time he asked you a price, he wanted to do business with you?—A. Yes, he asked me a price on that.

Q. He was prepared to do business with you if you were prepared to give him a price?—A. But through our agent.

Q. Did he mention your agent?—A. It was the only thing, we had to have an agent.

Q. That was after you had been in Colonel Jones' office?—A. He asked for a price.

Q. You say he asked you for a price and you refused to give it.—A. No, not until I saw my people, it was impossible to do so until I heard from my people; 30,000 dressings; it takes some figuring to make a price on that, in fact they were sold too low, I think we lost on every one.

By Mr. Morrison:

Q. Were they different from your ordinary patterns?—A. Entirely so, the ones we make for the United States Army and Navy are packed with a metal ring of soft solder that can be cut off with a knife.

By Hon. Mr. Reid:

Q. Was that the first requisition you got, from Colonel Jones?—A. Yes.

Q. Were there any other demands on that requisition except for that article you mention?—A. Oh, there were many goods, there were 12 or 15 pages of typewriting.

Q. When Mr. Brown asked you for a price did he ask you for a price on the whole requisition?—A. Oh, no, the prices on the whole requisition were all figured out, but the first field dressing was a special one, they knew something about that, and they wanted to get a price on it.

Q. What I understand is that the requisition had the prices filled out when you went to see Mr. Brown and Mr. Garland?—A. Yes, Mr. Brown agreed to the price.

Q. Who fixed the price?—A. I fixed the price for it.

Q. For Colonel Jones?—A. For Mr. Brown, the prices we had offered them at.

Q. The prices on the requisitions were the prices charged to Government by Mr. Powell, were they not?—A. No, the prices on the requisition were about the prices Mr. Powell would get the goods at, roughly speaking, there really was not any competition on the first requisition.

Q. I mean the requisition signed by Colonel Jones and Mr. Brown showed the price at which these goods were to be offered at?—A. Approximately, only approximately; there was no definite figure stated at all, there was no time for that.

Q. You fixed those prices with Colonel Jones?—A. No, I fixed those prices myself and they were satisfactory to Mr. Brown, absolutely, I fixed it in his office and I gave him 18 cents for the dressing, but the price was better than that to Mr. Powell.

Q. The prices you quoted were satisfactory to Mr. Brown?—A. Yes, we could not get down to figures, there was too much rush on.

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By Mr. Blain:

Q. Did the Government pay the same price for those dressings?—A. The first field dressings?

Q. Yes?—A. No, I do not think so.

By Hon. Mr. Reid:

Q. What was the price you fixed?—A. 16 cents.

Q. What was the price the Government paid?—A. I do not know.

By Mr. Kyte:

Q. You would have sold them to the Government at 16 cents if you had the chance?—A. Yes.

By Mr. Hanna:

Q. Is not the practice of wholesale firms to sell their goods to the public through the middleman always?—A. Certainly, our goods, to reach the public, have to go through the middleman.

Q. I have understood you to say that you were perfectly prepared to sell to the Government through your agent?—A. Where we had business with the Government?

Q. Yes. You will not sell to me as a doctor?—A. No.

Q. But you will sell to my druggist, either wholesale or retail?—A. We sell to each druggist either wholesale or retail.

Q. That is the principle I understand you went on in this case?—A. Well, yes, but of course in Government orders, sometimes in case of war or things of that kind, supplying large orders, they sometimes do buy.

Q. When you have an agent, you and other American concerns protect your agents?—A. Always, absolutely.

By Mr. McKenzie:

Q. But in this case you had no agent and you were willing to do business direct?

Mr. HANNA: Every druggist in Ottawa was an agent.

By Mr. McKenzie:

Q. Just a moment. In this case you had no agent and you were willing to do business direct with the Government?—A. We had no agents, but, as the other hon. gentleman said, every druggist would be an agent.

Q. For his own business?—A. Yes, that is anybody who was fortunate enough to get the requisitions.

Q. You had no agent as between yourselves and the Government, and you were willing to do business direct with the Government if you were permitted. Isn't that so?—A. We wanted to do business with the Government direct.

By Mr. Kyte:

Q. Did you know Powell before this time?—A. Not to know him.

Q. Is it usual to appoint as agents young men you do not know, whose responsibility you do not appreciate?—A. I would appoint an agent on the sayso of a man like Mr. Garland, or Mr. Graham or Mr. Rochester, or Mr. Allen.

Q. This is the only transaction you ever had with Mr. Powell?—A. Yes.

Witness discharged

Mr. GERMAN: That is all the evidence I want to call in connection with this Garland-Powell matter. If there is any further evidence in connection with the matter it might as well be called now.

The CHAIRMAN: Mr. Garland wrote me a letter stating his willingness to be called before this Committee. (To Mr. Shaver.) Will you stay over if necessary to be recalled?

Mr. SHAVER: I can, if necessary, but I am anxious to get away.

Mr. W. J. SHAVER.

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Mr. G. M. McWILLIAM, called, sworn and examined.

By Mr. German:

Q. Where do you reside, Mr. McWilliam?—A. Toronto.

Q. What is your business?—A. We are manufacturers of bicycles, importers and dealers in automobiles and all kinds of supplies pertaining to automobiles and bicycles.

Q. What is the name of your company?—A. Hyslop Brothers, Limited.

Q. What position do you occupy in the company?—A. General Manager.

Q. How long has the company been carrying on operations in Toronto?—A. Some 26 years in the bicycle and kindred lines.

Q. Did you, at any time, become aware that the Government required a large number of bicycles for the Canadian Overseas contingents?—A. Yes, sir.

Q. And having become aware of that, what did you do in the way of negotiations with the Government?—A. Well, we had heard that other manufacturers had sent representatives to Ottawa, and they were obliged to remain here for several weeks at a time without being able to get any decision or being able to reach the proper parties that might have authority to order bicycles or supply specifications; and as we were busy we did not care to do that, so we wrote direct to the Department, the Militia Department, after having found out the name of the man to communicate with.

Q. And with whom did you communicate?—A. We first wrote to George W. Thomas, Parliament Buildings, Ottawa, on January 22nd. (Witness produces letter.)

Q. Let me see that letter. (Reads):—

Mr. GEORGE W. THOMAS,
Parliament Buildings,
Ottawa, Ont.

DEAR SIR,—As manufacturers of bicycles we solicit an opportunity of quoting prices on such machines of this type, as may be needed for Military purposes, as we understand you are authorizing the purchase of from time to time.

Our facilities are such as, that prompt deliveries could be made on any reasonable quantity, up to 1,000 at a time on short notice. Catalogue of our line is enclosed herewith, and we request that this communication be given the kind consideration of your department.

Very truly yours,

HYSLOP BROTHERS, LIMITED.

Is that a copy of the letter you wrote Mr. Thomas?—A. It is.

Q. Is this the catalogue of prices attached to that?—A. It is a copy of this catalogue (hands to Committee).

Mr. GERMAN: I ask that that go in.

By the Chairman:

Q. Who is Thomas?—A. We were informed that he was the man in the Militia Department who had authority to order articles of transport such as bicycles and automobile trucks and articles of that type.

By Hon. Mr. Reid:

Q. Who gave you that information?—A. We got that in a general way from other concerns in the trade. My recollection is that it was a salesman from one of the rubber-tire companies.

Q. You had no official information from the Militia Department?—A. No, sir.

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By Mr. Bennett (Simcoe):

Q. Did you know Thomas?—A. I did not.

By Mr. German:

Q. Did you get any reply to that letter?—A. We did not.

On February 16th we wrote Mr. George W. Thomas again calling attention to the fact we had received no reply to our previous communication. (Producing letter).

By Mr. German: (Reads)

Mr. Geo. W. Thomas,
Parliament Bldgs.,
Ottawa, Canada.

Dear Sir:—

We have had no reply to our communication of January 22nd, and noticing in the newspapers that more bicycles are to be required by the Government for war purposes, we again write to inquire if we may not have the opportunity of quoting prices on such bicycles as you may need for military purposes.

As mentioned in our letter of January 22nd, our facilities are such that we can make prompt deliveries in any reasonable quantities up to one thousand (1,000) at a time on short notice. We have already sent you a catalogue, but it may not have reached you and we are sending another one to you, under separate cover, by this mail, addressed to you personally.

We would appreciate a reply from you on this subject.

Yours very truly,

HYSLOP BROTHERS, LIMITED.

Q. Did you get any reply to that?—A. We heard nothing from them. In talking to a representative of one of the rubber tire companies who had a man in Ottawa for some weeks, I asked him if we were writing to the right party. He said the initials we had were wrong, we should have written a letter to O. W. Thomas. We wrote him on February 20.

Q. Were those letters that you wrote to G. W. Thomas ever returned to you?—A. No.

Q. So that they reached their destination or they would have been in the dead letter office.

Hon. Mr. REID: How does he know that? There might be another G. W. Thomas.

Mr. GERMAN: We will find out whether they are in the Department or not.

By Mr. German:

Q. Then you wrote to O. W. Thomas, Militia Department, Ottawa?—A. Yes, sir.

Mr. GERMAN: (Reads)

February 20, 1915.

Mr. O. W. Thomas,
c-o Militia Dept.,
Ottawa, Ont.

Dear Sir:—

We have had no reply to our communication of January 22nd and noticing in the newspapers that more bicycles are to be required by the Government for war purposes, we again write to inquire if we may not have the opportunity of quoting prices on such bicycles as you may need for military purposes.

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As mentioned in our letter of January 22, our facilities are such that we can make prompt deliveries in any reasonable quantities up to one thousand (1,000) at a time on short notice. We have already sent you a catalogue, but it may not have reached you, and we are sending another one to you, under separate cover, by this mail, addressed to you personally.

We have been manufacturing bicycles in Toronto for over 26 years, which entitles us to the name of Pioneers of this industry in Canada. Hyslop Bicycles are in use from coast to coast and there are no wheels better known than the ones of Hyslop make. As you will note from the specifications in catalogue, our bicycles are strictly high grade and we guarantee them to stand as hard usage as any bicycle in the world.

We would be very pleased to receive a reply from you on this subject.

Yours very truly,

HYSLOP BROTHERS, LIMITED.

Q. Did you get any reply to that?—A. No.

Q. And you sent your 1915 catalogue with each one of these letters?—A. Yes, sir.

Mr. GERMAN: We will get it from the Militia Department, if it reached them.

By Hon. Mr. Reid:

Q. Did you ever write the Minister of Militia or the Director of Contracts a letter similar to these?—A. We understood that was the particular office to direct the communications to.

Q. You never wrote any officials of the Militia Department?—A. No, sir. We understood from the articles in the press from day to day that they were anxious to obtain these things, and we wrote to the bureau that we thought naturally was buying these articles.

Q. You addressed them to a private individual?—A. It says there (indicating the letter) Department of Militia.

By the Chairman:

Q. It is possible somebody else in the trade was putting you off with these names?—A. No, because we were not communicating with those that could be called competitors.

Q. But they gave you the wrong initials?—A. They were manufacturers of rubber tires, anxious to sell us tires to go on the bicycles.

By Hon. Mr. Reid:

Q. Why did you not write the Minister or the Director of Contracts?—A. I was not familiar with the procedure. I supposed that was the proper method.

The CHAIRMAN: They gave you the wrong initials in the first place, according to your statement.

Mr. MACLEAN (Halifax): He suffered by that.

Mr. GERMAN: They wrote the Militia Department. I submit that they did, and I intend to show that they did, or I would not have put those letters in.

By Mr. German:

G. Now, here is a Return, Mr. MacWilliam, which I have from the Department of Militia, and which I ask be inserted in the evidence.

Mr. G. M. McWILLIAM.

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Inquiry of the Ministry by Mr. German,

No. 41,

Orders of the Day No. 25,

Mr. GERMAN—1. How many bicycles have been purchased by the Government for the Militia Department since the 1st of August, 1914?

2. With what extra equipment, if any, have these bicycles been supplied?

3. What price has been paid for such bicycles?

1. 1,220 bicycles purchased.

2. These bicycles were of special Military design, the only extra equipment being Rifle Clips and lamps.

3. 450 at \$62.00 each complete. 770 at \$55.00 each complete.

Have you, Mr. McWilliam seen the bicycles which the Department of Militia purchased for the overseas contingent?—A. I have.

Q. Yes. By whom were they made and supplied the Government?—A. To the best of my recollection, as I have been informed, about 1,000 of those were supplied by the Canada Cycle and Motor Co., factory at West Toronto, and about 200 of those by the Planet Bicycle Co., of Queen St., Toronto.

Q. One thousand by the Canada Cycle and Motor Co. and 220 by the what Company?—A. The Planet Bicycle Co.

Q. Who is the chief man of the Canada Cycle and Motor Co.?

Hon. Mr. REID: The chief manager?

By Mr. German:

Q. The chief manager?—A. I understand that Mr. T. A. Russell is the General Manager of the factory.

Q. You know Mr. T. A. Russell?—A. Slightly, yes.

Q. And you know the factory?—A. Yes, sir.

By Hon. Mr. Reid:

Q. Is it a large concern, a large manufacturing company, the Russell Manufacturing Company?—A. Yes.

By Mr. German:

Q. Oh yes, it is a big concern; is it any bigger than the Hyslop Company?—A. They are manufacturers, they manufacture automobiles and bicycles, and they employ several hundred men, in their manufacturing business, whereas we deal in complete automobiles only and—

Q. And you manufacture bicycles?—A. Yes.

By Mr. Lalor:

Q. Are you jobbers or manufacturers?—A. Of what articles?

Q. Of automobiles, supplies and bicycles?—A. We are jobbers of complete automobiles and automobile supplies. We are manufacturers of bicycles.

Q. Are you manufacturers in Canada?—A. Yes, we buy the constituent parts and assemble them here.

Q. You buy the parts of bicycles in the United States, and bring them to Canada and assemble them.—A. We buy some parts in the United States, some parts in England, and other parts in Canada.

Q. You merely assemble them in Canada?—A. Yes, the same as all other bicycle manufacturers in Canada.

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By Mr. Bennett:

Q. But you do not manufacture any parts yourself?—A. No.

By Mr. German:

Q. You say you do the same as all other bicycle manufacturers in Canada?—A. Yes.

Q. Does the Canada Cycle Company manufacture in Canada, or do they buy the same as you do?—A. Substantially the same as we do, there may be one or two operations they do that we do not; I understand they braize the frame together while we buy the frame complete, but the other articles such as brakes, spokes, saddles and sundry parts of that kind they buy from the same source of supply as we do ourselves, like the other bicycle manufacturers.

Q. How much extra cost would there be to these bicycles by reason of the extra equipment which the Government states have been placed on the bicycles for military purposes?—A. Well, we had an opportunity of examining one of these bicycles and we found that they were supplied with two carriers, two rifle clips, a lamp, a bell and a small repair outfit, and the complete parts of the wheel were painted or enamelled a dull green colour as required by the military authorities. The total cost of that extra work to us would be, we estimated about from \$7.50 to \$8.

Q. From \$7.50 to \$8?—A. Yes.

Q. Now, Mr. McWilliams, having examined the wheels that were supplied to the Government at \$62 and \$55 complete, what would your company be prepared to supply them at, and what were you prepared to supply them for at that time, the same kind of bicycle, just like it, and with the same equipment?—A. We would supply those to the Government in lots of 50 to 100 at \$34 each, delivered f.ob. in Toronto. If we had received an order for say 1,000 at one time we would have made a better price than that, perhaps we would be able to supply them at \$32 each, complete according to the sample we had the opportunity of examining.

By Mr. Boyes:

Q. What is the retail price of that bicycle you are speaking of now?—A. The retail price of that bicycle is \$40.

By Hon. Mr. Reid:

Q. Without the additional equipment?—A. Without the additional equipment; and the wholesale price to dealers, that is to a man who is engaged in the business and would purchase ten or twenty or fifty bicycles in the year would get that bicycle for \$24.50.

Q. The additional parts that would have to be put on that wheel might have to come from England or the United States?—A. No sir, the only thing that would have to be imported would be the lamps, there is one concern specializes on that lamp. The rifle clips can be made in Canada, or they could be imported from England if time permitted.

By Mr. Bennett (Simcoe):

Q. The \$24.50 did not include the \$8 extra?—A. No sir, but we have here a dealers' price list which anybody in the trade is supplied with from one end of the Dominion to the other, and our dealers' price is shown in this price list at \$24.50 each for the wheels and we figured the extras at \$9.50, making a total of \$34.00 for the wheel complete with all the extras as required by the Government.

By Hon. Mr. Reid

Q. I see by the catalogue which you have produced that there are two Monarchs, one with the New Departure coaster brake, the price list of which is \$40 and the

Mr. G. M. McWILLIAM.

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dealers' net price \$24.50; the other Monarch with Sturmey-Archer tri-coaster listed at \$50 and the dealers' net price \$32.50—A. The latter is a special brake, permitting the wheel to be operated at three different speeds, which is not supplied to nor required by the Government.

Q. And you say that the one supplied to the Government was the Monarch with the new departure coaster brake?—A. Yes, listed at \$40 retail, and the dealers' price \$24.50.

Q. The one that was supplied to the Government by the Canada Cycle Company was one the exact duplicate of the Monarch with a New Departure coaster brake?—A. I would not say that, but the wheel that he supplied would be identical with the one we examined, and the price would be \$24.50 without the extras and we would supply the extras for \$9.50, entire.

Q. But what I was trying to ascertain from you was would the wheel that you examined correspond with the one in this price list which you have quoted at \$40 retail?—A. With the one listed at \$40; they use what is known in the trade as the Hercules brake and we use the New Departure. They sell at the same price.

Q. They supplied a Hercules brake which was one similar to your Monarch with a New Departure coaster brake, that is what you mean?—A. Yes.

By Mr. German

Q. Now then, if you have not done it, will you make a calculation of what 450 bicycles at \$62 will amount to?—A. I have figured this up, \$27,900.

Q. And 770 at \$55 each?—A. \$42,350.

Q. That makes a total of?—A. \$70,250.

Q. Now you say your firm would have been willing and pleased to have supplied the 1,220 wheels at \$34 each, if not at \$32?—A. Yes.

Q. And at \$34 each that would amount to how much?—A. \$41,480.

Q. Making a difference of how much?—A. \$28,770.

Q. That is the amount which the Government paid for the Canada Cycle Company's bicycles beyond what you would have been willing to supply them for?—A. Yes.

Q. And you never got any answers to your letters?—A. No.

By Hon. Mr. Reid

Q. And you never interviewed the Minister of Militia or the Director of Contracts to try to get an order?—A. No.

Q. You never came to Ottawa to see them?—A. No.

Q. You never did anything else except write that letter to Mr. Thomas?—A. No.

Q. Did you ever see any of the Toronto members?—A. We wrote a letter, that is my recollection, to Hon. A. E. Kemp asking to whom we should apply and giving the price of our bicycles.

Q. That is all you did?—A. That is all.

Q. Did you get any reply to that letter?—A. I do not think so, no sir, I never saw it.

By Mr. Blain:

Q. When did you make up that statement you have given us?—A. I figured this up when I got the information as to the prices paid.

Q. When?—A.—I figured that up today before coming in here.

Q. In consultation with whom?—A. With Mr. German.

Q. Mr. German made up this list?—A. No, I made up the figures, these are my figures.

Q. You made that up to-day before you came into the Committee?—A. Yes, sir.

Q. In consultation with Mr. German?—A. Yes.

Mr. G. M. McWILLIAM.

Q. I wanted to know when that list was made up. I understand Mr. McWilliams to say that it was made up today, before he came into the Committee, in consultation with Mr. German.

By Hon. Mr. Reid:

L

Q. When did you see the bicycles that were supplied to the Government?—A. One of our men in our bicycle department knew a member of the militia out at the Exhibition Grounds in Toronto, and when that man came into the city he sometimes called to see our man at the factory. One day in order that we might see what that wheel was like which had been furnished to the Government our man got him to leave his bicycle there for an hour or two while he was away on other duties, and that gave us an opportunity of examining the wheel and recording the specification in detail.

Q. About what time was that?—A. That would be three or four weeks ago; we heard they were going to buy bicycles for the Third Contingent.

Q. You made the statement a few minutes ago that the bicycles that have been supplied under this order were similar to those that you say could be provided for \$34.50?—A. For \$34.00.

Q. Are you aware that those bicycles went overseas last fall?—A. We heard so, yes.

Q. Then you never saw any of the bicycles that were shipped overseas?—A. Not the ones that went with the First Contingent, but I saw the ones supplied to the Second Contingent.

Q. How do you know they were supplied to the Second Contingent?—A. They are in Toronto now, many of them are in Toronto. We see many of the men in Toronto with the bicycles; the wheels that were supplied to the Second Contingent are the same, we understand, the men are still there, in camp in the Exhibition Grounds; I have seen several hundred of riders on the streets going through the city on those bicycles.

Q. But you do not know they are the same as those that went across, over the sea?—A. With the First Contingent, you mean?

Q. Yes, you never saw them?—A. No, I did not.

Q. And therefore you do not know that they are the same?—A. No, sir.

By Mr. Boyes:

Q. Do you know the retail price of your competitors, the Canada Bicycle Company, for this very wheel?—A. We have their catalogue, and the retail price is \$40.

Q. What is the ordinary retail price of that wheel?—A. That they make?

Q. Don't let us get confused. You told me that the wheel is just the same as the ordinary. What is the retail price?—A. We have it catalogued, the retail price at \$40.

Q. Just the same as yours?—A. That is our price.

Q. I am asking you, do you know the retail price of your competitor, the Canada Cycle and Motor Co., for this very wheel without any additions?—A. As near as I can tell it is \$40 or \$45.

Q. Do you know?—A. Only from their catalogue.

Q. Have you got it there?—A. Yes, sir (catalogue produced).

Q. The price is \$45?—A. \$45.

Q. What made you think it was \$40?—A. I understood you to ask the price of the wheel—

Q. I corrected that. Why did you say \$40?—A. I think they list a bicycle at \$40.

By Mr. Davidson:

Q. There are different qualities of bicycles?—A. Yes, the price varies according to the equipment largely.

Mr. G. M. McWILLIAM.

APPENDIX No. 3

Q. You were disappointed because you did not get an order?—A. Not at all.

Q. Perfectly satisfied?—A. Yes, sir.

Q. You really did not want to supply the goods?—A. We do, if we can sell them goods.

Q. You were not disappointed at all?—A. No.

Q. Do not feel sorry at all?—A. No, not at all.

By Mr. Lalor:

Q. Did you ever visit Ottawa or call upon the Department in connection with bicycle orders?—A. I did not.

By the Chairman:

Q. Did anybody from your firm?—A. No, sir, I thought on account of being large importers and paying the Government many hundreds and thousands of dollars each year we might naturally be considered as makers of that class of merchandise when they were in need of anything.

By Hon. Mr. Reid:

Q. But you took no means to communicate with any of the heads of the Department?—A. No, not any more than I have already testified.

By Mr. Davidson:

Q. Do you know why you happened to be subpoenaed here? What was the first you knew about being subpoenaed before this committee?—A. I heard from Mr. German.

Q. When was that?—A. The past two or three weeks.

By Mr. Boys:

Q. Did he hear from you before that?—A. Yes.

By Mr. Davidson:

Q. You wrote to him?—A. Yes.

By Mr. Boys:

Q. In order words, you stirred the matter up?—A. I would not say that. I read in the papers that some testimony had been given here regarding the prices of bicycles.

Q. When did you first get into this thing, in the month of January was it?—A. I think perhaps in January.

Q. When did you first learn that bicycles were wanted by the Department, shortly after the war broke out?—A. No, not until about January, a conversation with different gentlemen in the trade that they were in the market to buy wheels for the second or third contingent.

Q. De you mean to say you had no idea before January that the Department wanted bicycles?—A. Not that they were in the market to purchase, in the open market.

Q. I merely asked you, did you know they wanted bicycles?—A. No, sir, I did not know personally.

By Mr. Davidson:

Q. What about this examination that you speak about, seeing in the paper?—A. My recollection is, from the remarks in the newspaper, the Government had been asked to supply information as to the price paid for bicycles and other articles connected with motor cars.

Q. When did you say that you wrote to Mr. German?—A. I wrote to Mr. German. I was quite amazed to find that bicycles had been sold to the Government at a price of \$62.

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By Mr. Blain:

Q. Did you discuss this matter with anybody in your office with respect to coming here to give evidence?—A. No.

Q. Or any person else in Toronto?—A. I may have discussed it with men in our department to get the information.

Q. When you were subpoenaed here, what were you asked to produce?—A. I have a copy of the subpoena here (document produced).

Q. Will you read it?

Mr. GERMAN: (Reads):

HOUSE OF COMMONS OF CANADA.

OTTAWA, March 19, 1915.

SUMMONS.

To G. M. McWilliams, Esq.,
% Hyslop Bros.,
Toronto.

Take notice that you are hereby summoned and required to appear at the House of Commons, Ottawa, on Tuesday next, the 23rd day of March, 1915, at 11 o'clock a.m., in Committee Room No. 100, and give evidence before the Select Standing Committee of the House of Commons on Public Accounts.

Respecting Sessional Papers numbered 122 of the present Session of Parliament and all other papers in relation thereto, being copies of Correspondence between the Auditor General and the Department of Militia and other Departments of Government, laid upon the Table of the House, in respect to expenditures under the War Appropriations Act, be referred to the said Committee, and further that you do remain in attendance until duly discharged.

By Order of the Committee,
THOS. S. HOWE,
Clerk of Committee.

By Mr. Blain:

Q. How did you come to bring all those papers so well arranged, on whose suggestion?—A. There is no suggestion as to that, but I naturally assumed I would be asked about the prices of these articles.

Q. Did that suggest to you that you should bring your papers and catalogues with you too?—A. Yes.

Q. Who suggested that?—A. I suggested that myself. And in addition to that I had prepared a sample of a bicycle made up according to the military requirements, which is now in Ottawa, and could be presented to anybody interested in comparing our wheel with those that were bought and paid for.

Q. Who suggested you should make that?—A. I did myself.

Q. You were a little anxious to get at the Government, were you?—A. Not at all. I naturally came prepared with any information that I might be required to produce.

Q. I rather compliment you upon your preparations. You brought everything that seemed to be necessary to make out a good case against your competitors and the Government. I am not objecting, I am pointing that out?—A. Thank you.

Q. You are the most marvellous witness in that respect that ever appeared before this Committee?—A. Thanks. I feel highly complimented.

By Mr. Lalor:

Q. How many men do you employ in Canada in the manufacture of bicycles?—A. We have in our establishment—

Q. In the manufacture of bicycles?—A. In the bicycle department about 12 to 15 men.

Mr. G. M. McWILLIAM.

APPENDIX No. 3

Q. Have you any idea how many the Canada Motor and Cycle Company employ in the same line of business?—A. I have heard it stated that they employ several hundred, but they manufacture bicycles, automobiles, skates and various other articles, all in the same place altogether.

Q. In the manufacture of bicycles in Canada you employ from 12 to 15 men?—A. Yes, sir.

Mr. LALOR: A large concern.

Mr. KYTE: It is only the big grafter you want to help, the small grafter has no chance.

The WITNESS: That is the reason we can assemble and sell bicycles at reasonable prices.

By Mr. Lalor:

Q. I suppose you are aware that the policy of the Department was to purchase direct from manufacturers and not from jobbers?—A. I had heard of that.

By Hon. Mr. Reid:

Q. Are you and Mr. Russell on good terms?—A. As far as I know, yes.

Q. No animosity between you?—A. None whatever.

The CHAIRMAN: Just business rivalry, I suppose.

By Mr. Bennett (Simcoe):

Q. Had you heard Mr. Russell had been engaged as an expert?—A. We heard that in August he had some commission by the Government to purchase bicycles and automobiles.

Q. And you knew Mr. Russell?—A. And we knew that his own company would naturally have the preference on such things, and we did not even bother to communicate with him.

By Mr. Boys:

Q. I thought you said you never knew that the Government wanted bicycles until the month of January?—A. I did not know they were in the market for bicycles. I said that I knew Mr. Russell had been appointed to look after motors and transports, which would include trucks and other articles such as bicycles; but we did not know the Government was buying bicycles at that time.

Q. You understood he was to be appointed for the purpose of purchasing articles of transport?—A. Not necessarily purchasing, but consulting with the Government.

Q. Russell's plant is in your own city of Toronto, and you never even took the trouble to ask him?—A. No.

By Hon. Mr. Reid:

Q. Why did you not write him instead of Thomas?—A. I did not know he was the purchasing agent for the Government, but only that he was acting in an advisory capacity.

By Mr. Bennet (Simcoe)

Q. You said you thought he would be selling his own to the Government?—A. I said I thought naturally the price from his own company would get the preference.

Mr. GERMAN: As they did do.

The WITNESS: I did not know they were actually buying bicycles at that time.

By Mr. Bennett (Simcoe):

Q. And you did not go to see him at that time?—A. No.

Q. You said the reason you did not speak to Mr. Russell about it was that you thought Mr. Russell would prefer his own company. Now, you say you did not know the Government was buying bicycles at that time. Which is correct?—A. My understanding is that Mr. Russell was acting in some advisory capacity.

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Q. Which of those answers was correct?—A. I did not quite follow you. I would like to explain in this way. Mr. Russell, I understood from the newspapers I had read, was appointed in some way to advise with the Government in matters of transport. I believe that was the——

Q. And not to buy?

The CHAIRMAN: Let the witness answer this question fully to his own satisfaction.

The WITNESS: And at that time when I knew of that relation of his to the Government I did not know that they were buying bicycles, or that they were going to buy bicycles. But I heard that they were buying trucks and automobiles, and I naturally thought that if the Government was buying anything of that kind his own company would have the preference. Now, it was months after that, along towards the first of the year, when we heard the Government was in the market to buy bicycles for the second contingent, and that is when we took up the correspondence with the Government.

By Hon. Mr. Reid:

Q. With Thomas?—A. With Thomas.

By Mr. Boys:

Q. Do you mean you did not state that you learned Russell had been appointed to purchase trucks and bicycles?—A. I would correct that.

Q. Will you say you did not say that within the last five minutes?

Mr. MACLEAN (Halifax): He has a right to answer it as he likes.

The WITNESS: I may have been mistaken in the question.

By Mr. Bennett (Simcoe):

Q. You know there are five members for Toronto?—A. I must confess that I do not know that.

Q. You know there are several members from Toronto. Which of them do you know personally?—A. None at all.

Q. It did not strike you to go and see some of the members?—A. No, sir.

Q. You were not very anxious for business?—A. Naturally we are. We are looking for business all the time.

Q. And you never even made inquiry from any member from Toronto to see if you could get business? Did you know Mr. Kemp personally?—A. No, sir.

By Hon. Mr. Reid:

Q. Did you know Mr. German? Why did you not get him to get this order?—A. I never saw this gentleman (Mr. German) until this morning.

By the Chairman:

Q. Did you ever telephone Mr. Russell?—A. No.

By Mr. Blain:

Q. You brought with you the catalogues of the Canada Cycle and Motor Co. and what other company?—A. The Planet Bicycle Co.

Q. What others?—A. That is all.

Q. Why did you not bring the others with you?—A. These are the only firms that I understand have supplied wheels to the Government.

Q. On whose suggestion have you been consulting these catalogues?—A. My own.

Q. And you discussed this with Mr. German before the meeting of this Committee and with who else?—A. Nobody else.

Mr. G. M. McWILLIAM.

APPENDIX No. 3

Q. Where?—A. I did not discuss it with anybody else.

Q. Where did you discuss it?—A. With whom?

Q. With Mr. German?—A. In this building.

Q. Where were you when you discussed it?—A. In the basement.

Mr. GERMAN: In Room 306.

By Mr. Blain:

Q. You discussed it with Mr. German in a room downstairs?—A. Yes.

Q. Did you go through these catalogues with him?—A. I just showed him that I had them.

Q. Did you discuss these prices?—A. Yes, in a general way.

Q. Did you make up a price list with him?—A. I made these calculations from the prices that I had in his list.

Q. And you discussed it very fully?—A. Not very fully, I wasn't any more than fifteen minutes there altogether.

Q. Did you go to his room this morning, or at whose request did you go there?—A. At his request.

By Mr. Maclean:

Q. Did you have your breakfast together?—A. No, sir. I never saw the gentleman until I was in his room.

By Hon. Mr. Reid:

Q. Do you know of any other bicycle manufacturers in Canada besides those whose catalogues you have brought?—A. Yes.

Q. Are there any more?—A. Not many.

Q. You did not bring the catalogues of any firms other than those you have produced?—A. No, sir.

Q. Do you know of any other catalogues which show prices higher than these?—A. They are all about the same, generally, about the same.

Q. Are there any more that are of higher price?—A. Not that I know of.

By Mr. Davidson:

Q. If you take the \$45 and add that \$9.50 for the extras, that would make nearly \$55, wouldn't it?—A. That would be the retail price, but bicycles are not sold in that way by the manufacturers referred to; they are sold principally through the trade.

Q. Where did you get these figures, \$9.50?—A. \$9.50 was the amount I mentioned as the extras.

Q. Where did you get these figures?—A. From the articles that were added, we examined the price list.

Q. Who gave you the figures; what firms gave you these figures?—A. We made them ourselves from the price list.

Q. You are not manufacturers?—A. We are manufacturers.

Q. You told us a few moments ago that you only assembled the parts?—A. That is manufacturing.

Q. I do not think so. You know what I mean. Will you tell us where you got these prices?—A. I will explain what "manufacturing" is.

Q. I do not want your explanation, we will just assume for the sake of argument, for the sake of understanding my question, that a manufacturer is a person who manufactures and makes, and an assembler is a man who puts the various parts together—?—A. That is manufacturing.

Q. Will you be good enough to tell me where you got those figures?—A. We got them from our own records showing the cost of these articles.

Q. Where?—A. From the various sources of supply.

Mr. G. M. McWILLIAM.

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Q. If you do not make these goods yourself you would not have any record showing what it would cost to make them.—A. We would have the record showing what it would cost to buy them.

Q. Who gave you those prices?—A. We have it from the records of many manufacturers who supply these goods.

Q. Who would they be, we may want to subpoena them?—A. We have for instance—

Q. In reference to this clip for carrying rifles, for example, where did you get those figures?—A. These rifle clips are a standard article which is listed by a great many manufacturers, in England, it is an article of ordinary sale, anyone can buy it.

Q. Have you a catalogue with you showing that?—A. I did not bring that catalogue with me. It can be bought in England or it can be made in Canada; we could have taken a sample of these clips and have had them made right in Toronto.

Q. Have you a copy of that catalogue showing the price?—A. I did not bring it with me.

Q. Have you it in your office in Toronto?—A. Yes.

Q. I would like to ask what price do they show in that catalogue?—A. It shows that those clips delivered in our store would cost us \$2.80.

Q. Can you send us that catalogue?—A. I think so. That price is taken from the catalogue of the Birmingham Small Arms Company, Birmingham.

By Hon. Mr. Reid:

Q. I understand from your statement that the way you made up this list of extras was by taking it from that particular bicycle that you saw in your store?—A. Yes.

Q. You never saw the others, and therefore you are not in a position to know what extras there were on the bicycles that went oversea.

Mr. GERMAN: The extras are specified right on the Return that I have.

Hon. Mr. REID: I do not think so.

Mr. GERMAN: Yes, therefore it does not make any difference whether he saw them or not.

By Hon. Mr. Reid:

Q. You never had a list of the extras supplied to the bicycles that went across to England?—A. I am not familiar with the bicycles that went across.

Q. You never saw them?—A. No.

Q. And you never asked the Minister for an order?—A. No.

Q. And you never asked any member from Toronto to solicit an order for you?—A. No.

By Mr. Blain:

Q. Have you any other prices of extras that were supplied?—A. No, but I have here a letter and a circular from the Ross Manufacturing Company of Philadelphia, makers of a lamp of special military pattern which was supplied on these bicycles that we are referring to.

Q. You have a considerable brief there that you have not yet referred to in this evidence. Would you have any objection to file it with the Committee?—A. It consists chiefly of several copies of your blue book.

Q. Have you any objections to file it with the Committee?—A. I have no objection to filing all these papers.

Mr. KYTE: What about the relevancy of those documents.

Debate followed.

By Mr. Lalor:

Q. When these bicycles were purchased by the Militia Department had they any knowledge or information, directly or indirectly, in any way, that they could have been bought from you at a much lower price?—A. I could not tell.

Mr. G. M. McWILLIAM.

APPENDIX No. 3

By Mr. Bennett (Simcoe):

Q. Why did you not give a price in your letter?—A. We did not have any specifications, we were not familiar with what the Government was buying, or what they wanted.

By Mr. German:

Q. You sent your catalogues showing the prices?—A. Yes. We, as bicycle manufacturers, naturally assumed that when the Government was in the market to make large purchases they would tell us; we thought they would ask for competitive figures or give us a chance of making an estimate.

Q. And your catalogue shows the prices?—A. Yes, the retail prices.

Mr. LALOR: I think that letter and catalogue which was sent to Mr. Thomas at that time should be on file.

By the Chairman:

Q. I would just like to ask the witness one question about Mr. Thomas. You say that some one told you that a man named Thomas was the proper person with whom you should communicate?—A. Yes.

Q. And they gave you the wrong initials?—A. No, they gave his initials, and then my recollections is that another salesman happened in our place, and the conversation turned to supplies for the Government, and I told him that we had written to Mr. Thomas, giving him the initials, and he said: I think the initials are wrong.

Q. That is the second man that gave information about Thomas?—A. Yes.

Q. What was the name of the first man?—A. I think the name of the first man was a Mr. Pride of the Goodyear Tire and Rubber Co., Toronto.

Q. What was the name of the second man?—A. I think it was a man from the same firm, whom I did not know very well. I do not recollect his name.

Q. Did you phone Mr. Russell, being friendly with him as you said?—A. I am not friendly with him in that way, that I would telephone him about—

Q. Wanting business with the Government, and knowing that he had the buying?—A. I did not know he had the authority.

Q. Did you ever phone him as a representative of the Government?—A. No, sir.

Q. Or send anyone to him?—A. No, sir.

Q. Or speak to him yourself?—A. No.

Mr. MACLEAN (Halifax): I think we will all agree that this firm was not aggressive in seeking business.

Mr. KYTE: The aggressiveness should be on the part of the Government.

By Mr. McKenzie:

Q. This man Russell, is he a resident of Toronto?—A. Yes, sir.

Q. He knows the city of Toronto well?—A. Yes, sir.

Q. Does he naturally know of your business?—A. Yes, sir.

Q. And knows what you are doing?—A. Yes, sir.

Q. Did he ever call on you for business, for supplies, for prices?—A. No.

By Mr. Maclean (Halifax):

Q. Why did you not call on him?—A. I cannot answer that question.

By Mr. Bennett (Simcoe):

Q. Mr. McWilliam, have you enjoyed yourself?—A. I would feel very much better if I could go away with an order for about 500 bicycles.

By Mr. Blain

Q. I understood you to say that you made up a list with Mr. German in his room this morning. Is that correct?—A. I made some calculations on the reverse side of one of those yellow sheets there.

Mr. G. M. McWILLIAM.

5 GEORGE V., A. 1915

Q. Was it one of those two lists you made out (showing to witness)? On the reverse side. You will see pencil figures there.

Q. I understood you to say—here are two lists. Was it either of these?—A. No, those are our own costs I brought with me.

Q. You brought these lists with you?—A. Yes, sir.

Q. What does this signature mean?—A. That is the man in charge of the bicycle department, who wrote those figures down.

Q. And made out that whole list?—A. Yes.

Q. And the other one beneath it?—A. The same man.

Q. You did not make this out in Mr. German's office this morning?

By Mr. Davidson

Q. Then you are testifying wrongly?—A. These were made up under my direction.

Witness retired.

Mr. ALFRED MASON called, sworn and examined.

By Mr. German

Q. You reside in Toronto, Mr. Mason?—A. Yes, sir.

Q. And you are a member of the firm of P. W. Ellis and Co.?—A. I am one of the managers.

Q. One of the managers?—A. Yes, sir.

Q. Is that an incorporated company?—A. Yes.

Q. Are you a shareholder or just a manager?—A. Just a manager.

Q. Not a shareholder?—A. No, sir.

Q. What department of their business do you manage?—A. The diamond and precious stone department and gold jewelry.

Q. Does that include binoculars?—A. No, sir.

Q. When did P. W. Ellis & Co. have their first dealings with the Government in connection with the furnishing of supplies for the Canadian overseas contingent?—A. I would say immediately—I cannot give you just the exact date without looking down here (referring to package of documents)—immediately that supplies were required.

Q. Yes, and from what source did the instructions come?—A. In connection with binoculars?

Q. With anything at all?—A. In connection with binoculars, the Minister of Militia telegraphed our company, and asked them to come down to Ottawa to see him in connection with binoculars, that he had every confidence in their ability to select 600 binoculars which were required for the first contingent, and we were to come that night, or as soon as possible.

Q. Have you got the telegrams?—A. Yes, sir.

Q. Let us have them please.

On motion for adjournment

The CHAIRMAN: When shall we sit again?

Mr. GERMAN: To-morrow?

Mr. M. C. ELLIS: Mr. Chairman, we have been down here for two days, and I think the Committee should proceed with the examination without further delay.

Mr. GERMAN: If you want to give evidence yourself, all right, but so far as I am concerned I do not know that your evidence would be required. Of course, I will not prevent your giving evidence if you want to give it.

Mr. ALFRED MASON.

APPENDIX No. 3

Mr. MASON: Possibly it might be interesting to know that, when that telegram arrived, and it requested Mr. M. C. and Mr. P. W. Ellis to see the Minister in connection with the binoculars, and that he had every confidence in our judgment, they were unable to go, so they asked me to go to Ottawa. Consequently that is why Mr. M. C. Ellis, is here, because he is the vice-president of our company and has full charge of this matter.

Committee adjourned.

HOUSE OF COMMONS,

Room 100.

TUESDAY, March 23, 1915.

The Committee met at 3 o'clock, p.m., Mr. Morphy presiding.

The examination of Mr. Alfred Mason resumed.

By Mr. German:

Q. Just before luncheon you stated that the P. W. Ellis Company had received a telegram from the Minister of Militia to come to Ottawa?—A. Yes, sir.

Q. Have you that telegram with you?—A. Yes, sir.

Q. Please let us have it—A. Here it is (producing telegram.)

Q. Please read it?—A. (Reads):

"P. W. ELLIS, COMPANY,
"Wholesale Jewellers,
"Toronto.

"We wish to obtain 600 field glasses, good quality. Will you or Matt undertake the duty of selecting these from the various dealers? We have perfect confidence in your judgment. Will you please come to Ottawa to-night or as soon as possible."

By Mr. Kyte:

Q. What is the date of that?—A. August 24.

By Mr. German:

Q. By whom was the telegram signed?—A. Sam. Hughes, Minister of Militia.

Q. What is the meaning of the word "Matt"?—A. That is M. C. Ellis. He calls him Matt. It stands for Matthew.

Q. "Will you or Matt undertake"?—A. He always calls him Matt.

Q. That is a social name?—A. That is a social name.

Q. Then evidently the Minister of Militia was socially acquainted with Matt?—A. Yes, I understand he has known him since they were boys.

Q. Then I understood you to say that neither P. W. Ellis nor Matt could come to Ottawa, so they sent you?—A. Yes, sir.

Q. You saw the Minister of Militia?—A. Yes, sir.

Q. What conversation did you have with him?—A. He impressed on us, on me, the fact that they wanted about 600 glasses, and that they were very scarce, that it was impossible to get them practically, and that he would like our Company to undertake that work of selecting those glasses, and that we were to have a free hand to get them wherever we could at the best price we could, and that we were to have always any assistance we required from the Department, and that we were to go ahead and do our best, and, as I say, buy them anywhere and everywhere we could at the best price, the only

Mr. ALFRED MASON.

5 GEORGE V., A. 1915

condition being that they must be subject to the approval of the Inspection Department, both as to quality and price, and—

Q. Yes?—A. Then—what were you going to say, sir—and that we were, we discussed the question before I left Toronto, in case we were to handle that order for 600 glasses, under what conditions would we handle them for the Company, and after discussing it, well, we decided, the Company decided that they would not handle the transaction, could not handle it, under a commission of 10 per cent, and I mentioned that to the Minister, if that would be satisfactory. I said that we had discussed it and we considered that the very lowest we could handle it for, and he said that would be satisfactory.

Q. That would be satisfactory?—A. Yes, sir, and that the bills for the goods were to be charged by the people from whom we bought them to the Department of Militia and Defence, and that they would be paid by the Department in the thirty days. The goods were not charged to us. We did not buy them for ourselves, we bought them for the Department.

Q. Having had that conversation with the Minister, and those directions from the Minister, what did you then proceed to do?—A. I proceeded to find out what kind of glasses were required. At least, I first of all went down to Mr., I mean to say I went down to see Mr. Brown to find out what the regulation or the type of military glasses that was required. The glasses were to be as near as possible to the—we were to get as near as possible to the type which is required for military purposes, and I went down to Mr. Brown's office to explain to him—the Minister sent me down there and I went down. As I explained it to the Minister, I would like to have the arrangement, the order, put down so that we would have something to go by, and consequently I had the order. I went down to Mr. Brown and I reported to him and Mr. Brown wrote out the order and it was referred to the Minister and he initialled it.

Q. Will you let me see the order, please?—A. Yes, sir, here it is (producing order).

Q. (Reads):

"Messrs. P. W. Ellis & Co., Limited,
Toronto.

Gentlemen:

Please supply—

600 Binocular Field Glasses.

144 Compasses, prismatic, with case.

100 Telescopes, signaling, with stand.

At the best prices obtainable, and have same shipped to the Militia Inspection Room, 203 Queen street, Ottawa. These goods to approximate in style, quality, &c., as near as may be, under the circumstances, to the departmental patterns which your Mr. Mason has seen.

Goods to be charged direct to the Militia Department and to be subject to the usual inspection. Invoice to be made out in triplicate to the Department and certified by you; bill to be paid within thirty days of receipt of the goods, provided the invoices are promptly sent in.

I am instructed by the Minister to say that you will be paid 10 per cent commission for this work. Please make every effort to procure goods as quickly as possible.

Yours faithfully,

(Sgd.) H. W. BROWN,

Director of Contracts."

The order is dated Ottawa, August 26, 1914.

After receiving that, Mr. Mason, what did you do?—A. I went to see these glasses. I asked Mr. Brown where I could see the samples, where I could find out what our company was supposed to supply, and I went down to the Inspection Department, 203 Queen street. I went down to see the samples.

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By the Chairman

Q. Is that Mr. Hurdman?—A. Colonel Hurdman. Colonel Hurdman was in charge. They were not able to show me as they did not have one in stock, but he explained to me that the standard that they had been using if they were able to get it, was an 8 x 25, or a 6 x 30 in a tan case, with tan leather sling.

Q. Yes.—A. And that is the first thing that I did. I found out as near as possible what was required.

Q. Having found the standard that was required, where did you go to buy them?—A. I inquired if there was any opportunity, when I was there, if they knew of any opportunity of procuring these glasses in Ottawa, because I was here; and Colonel Hurdman said that he had made inquiries himself and that there were certain glasses could be procured in Ottawa. And I immediately went around to see what these people had, and asked them to turn in what glasses they had to the Department which would come up to the regulations and inspection, and to give the lowest possible price, because they were for the Canadian Government and it was their patriotic duty to give their best possible price.

Q. Their patriotic duty. What firms did you see in Ottawa?—A. Then? The firms that Colonel Hurdman—I did not see all the firms that he mentioned, only the large firms, the firms which he recommended had the most goods, because it was the afternoon and I had to go back to Toronto that night. I saw the Ontario Hughes-Owens, the Topley people, and I think—I am not sure—the E. R. Watts people, or whether they came to see me. They heard there was an inquiry for glasses from the inspector, I understood, and they were desirous of having their glasses, what glasses they had, used by the Government.

Q. Well?—A. Then, I went back to Toronto that night.

Q. Let us stick to Ottawa. What companies in Ottawa were you referred to as being in a position, according to the Department, to supply glasses?—A. In quantity?

Q. To supply glasses at all?—A. I understood that—

Q. Not what you understood, but what companies you referred to?—A. I referred to Ontario Hughes-Owens, the E. R. Watts people, and the Topley people.

Q. They are all in Ottawa?—A. And the Henry Birks were mentioned. There were one or two glasses he had seen here and there which he gave me a list of.

By Hon. Mr. Reid

Q. That is Colonel Hurdman?—A. Colonel Hurdman.

By Mr. German:

Q. There was some other company referred to yesterday, Bilsky was one?—A. I did not go to Bilsky.

Q. Was he mentioned by Colonel Hurdman?—A. Yes, but he did not mention his name to me that day, I do not think so.

Q. There was another company?—A. The Consolidated Optical Company?

Q. No, that is in Toronto.—A. These were the only firms mentioned that day, Mr. German.

Mr. KYTE: Mr. Hurdman went to McMillan's, the Ottawa Optical Co., and Wilmot's.

Mr. GERMAN: We will get the names some other time.

The WITNESS: That only gave us a very few glasses, and those goods had to be subject to passing the inspection.

By Mr. German:

Q. You went and saw the companies which you have mentioned?—A. Yes.

Q. How many glasses during that afternoon were you able to procure here in Ottawa?—A. Well, I could not say exactly, but according to my recollection the total glasses that could be turned in from Ottawa at that time, was fifty or sixty, something like that, maybe 75, I could not say.

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Q. Well, what next did you do?—A. Then, I went back to Toronto that night with this order, and I explained the matter to our company, Mr. P. W. and Mr. M. C., and Mr. M. C. decided to place our whole organization at the disposal of the Government, and he instructed one of the managers of our company, who is more expert in binoculars than any of the rest of us, to proceed to the United States to the largest manufacturer there; and I was instructed to see the Consolidated Optical Co., and to scour Toronto. And we wrote a letter at once to all the jewelers throughout Canada that we considered in the large and important places asking them to turn in all the glasses that they had; and to our Montreal manager. We got in touch with our New York office and with our large agents who are the representatives of our manufacturers in the States. We cabled to our representatives in England to get a line on the possible supply realizing the difficulties because we soon found there were practically no glasses in Toronto and none likely to be obtained, and consequently we wrote from Halifax to Vancouver.

Q. We will come to that. Now, Mr. Mason, how many glasses did you purchase for the Government?—A. I should say our orders, I think, if I remember correctly, were for 2,175.

Q. 2,175?—A. I think so.

Q. Your first order was for 600?—A. Yes, sir.

Q. How long after that did you get the second order?—A. The second order was for 200 on September 12.

Q. Then the next order?—A. The next order was September 18.

Q. For how many?—A. 175.

Q. And the next?—A. Was for 1,200.

Q. What date?—A. September 23.

Q. And the next?—A. That is all.

Q. That is all?—A. Yes.

Q. First for 600, the second for 200, the third for 175, and fourth for 1,200?—A. Yes, I think the total was 2,175.

Q. Now, from whom, starting from the first order, were those glasses purchased and in what quantities?—A. From whom were they purchased?

Q. Yes.—A. Well,—

Q. Just start from the beginning?—A. They were purchased from the Consolidated Optical Co.

Q. How many from the Consolidated Optical Co.?—A. I do not know that I can give these individuals offhand, I could not give you these records individually offhand, because I have not got them in my mind, the number that each of them turned in at the time.

Q. Have you not got a record?—A. We asked them to send in—

Q. Never mind what you asked. I want to know what you did. Have you got a record of the number of glasses you purchased from the Consolidated Optical Co.?—A. We have a record, yes.

Q. Where is it?—A. It is on their invoice, a copy of their invoice. We had three invoices sent to the Department. We instructed the people who were supplying these glasses to send three invoices to the Department and one to ourselves, and we used those invoices as a means of checking up the quantity sent in.

Q. You have not got the invoices with you?—A. They are in the Department.

Q. And can be produced?—A. Yes, sir.

Q. Can you say approximately about how many you purchased from the Consolidated Optical Co., roughly?—A. I do not think that they had—it may have been half a dozen.

Q. I am taking that order all the way through?—A. On the whole order? I think I can tell you that, how many all the way through (consults papers).

Hon. Mr. RED: That is out of the total of 2,175.

Mr. GERMAN: Yes.

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The WITNESS: I will try and tell you that. The Consolidated Optical Co., about 131?

By Mr. German:

Q. At what price?—A. Well, you will have to refer to the invoices again, I could not say. We asked them to give their lowest price.

Q. Well, they gave the price, whatever it was.

By Hon. Mr. Reid:

Q. I would like to understand: Were these invoices sent in in the name of P. W. Ellis & Co.?—A. No, all sent direct by the people.

Q. In the name of the Consolidated Co.?—A. Yes.

By the Chairman:

Q. And every other firm?

By Hon. Mr. Reid:

Q. Not in the name of P. W. Ellis & Co.?—A. No.

By Mr. German:

Q. So far as the price is concerned from the Consolidated Optical Co., we shall have to look at the invoices to see what the price was, the invoice to the Government?—A. Yes.

Q. Then take another company. You say about 123 from the Consolidated Optical Co.?—A. From the Consolidated Optical Co., 131.

Q. Now then, take another company?—A. The Niagara Optical Co.

Q. Have you got a list of all the companies who supplied the whole number of glasses?—A. Well, I would not say that this (referring to document produced) is correct, but it is a memo. I would not say that it is absolutely correct. The invoices will show exactly.

By the Chairman:

Q. Is it substantially correct?—A. I would say it is substantially correct, but I could not say positively. The invoices are absolutely right, and there is no difficulty in finding out the exact number.

By Mr. German:

Q. Perhaps the invoices would be the best thing to have?—A. This is only a memo, and it has not been checked, and therefore I would not say it is absolutely correct.

Q. The Consolidated Optical Co., is in Toronto?—A. Yes.

Q. Did you buy from any other company in Toronto excepting them?—A. Yes. We bought in Toronto from F. E. Luke, 3; we bought from J. F. Hartz, 2; we bought from the Robert Simpson Co., 6; we bought from J. C. Williams, Toronto, 6; we bought from Chapman Bros., Toronto, 1; we bought from Culverhouse Optical Co., Toronto, 1; the Imperial Optical Co., Toronto, 26; Hooper & Co., Toronto, 2; A. Kleiser & Co., Toronto, 1; James Beatty, Toronto, 1; R. G. Black, Toronto 1, Charles Potter, Toronto, 5; Consolidated Optical Co., you have that; Ryrie Bros., Toronto, 18; the T. Eaton Co., 75; B. Allen, 1.

Q. These are all from Toronto?—A. Yes, I think that covers Toronto.

Q. How many did you purchase in Ottawa and from whom?—A. The total purchases in Ottawa: the Topley Co., 796; the J. Silverberg, 10; W. J. Brown, 11; Keystone Supply Co., Mr. Birkett, was the man we bought them from, Keystone Supply Co., 166; A. W. Pennock, 4; Ontario Hughes-Owens, 137; E. R. Watts, 88; T. J.

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Boyd, 1; J. E. Wilmot, 5; F. N. Denning, Ottawa, 2; Henry Birks & Sons—we bought some from Henry Birks & Sons, but I cannot say exactly how many because we have not it separate. I think we got from Henry Birks in all about 12.

Q. Is that all you bought from Ottawa?—A. That is all in Ottawa.

Q. Can you tell me the total number that you purchased in Ottawa?—A. No, I cannot tell you all.

Q. You can easily add it up. However, we will follow that up later. You purchased from Toronto and Ottawa?—A. Yes, sir.

Q. From what other sources?—A. The Niagara Optical Co., Buffalo, 140; F. A. Hardy, Chicago, 55; E. & J. Swigart, Cincinnati, 7; Sussfeld Lorsch, New York, 75; Almer Coe, Chicago, 190; W. L. Smith, Vancouver, 3; J. C. Barr, Sarnia, 1; W. H. Wilkerson, Victoria, 1; N. C. Cull, Vancouver, 6; Albert Berger, New York, 7; T. Blackburn Belleville, 1; Hattel & Prange, Edmonton, 1; Naylor Bros., Edmonton, 1; Hearn & Harrison, Montreal, 2; E. L. Watcher, Edmonton, 2; Henry Birks & Sons, total 99; A. F. McMillan, Vancouver, 2; A. A. Fowler, Peterborough, 2; Ferguson & Page, St. John, 5; O. B. Allen, Vancouver, 3; J. S. Barnard, London, 2; D. E. Black, Calgary, 2; N. Marshall, Port Arthur, 2; A. McFee, Belleville, 2; Kinnear & D'Esterr, Kingston, 5; G. Soifert & Sons, Quebec, 15; Jackson Bros., Edmonton, 4; T. C. Johnson & Son, Halifax, 1; W. L. Smith, Vancouver, 3. I do not know that I have missed any.

Q. That covers the whole order?—A. I think so, yes, sir. We sent our representative to the States, a man who was particularly well posted in binocular glasses. We also cabled to the big houses in London, and they replied that they had none in stock, that it was impossible to get any then. They confirmed it by letter, and told us that binocular glasses were contraband of war and could not be shipped from England. We received letters from the two largest manufacturers in England giving us details and the reasons why they had no glasses, because they had been taken up by the British Government, and the goods were contraband of war, and they were not able to send out an order from England, but that at some future date, when they were able to offer the goods, they would advise us.

Q. Their being contraband of war would not prevent them from sending the glasses to Canada?—A. Yes, sir, their letter says so; I will show you their letter.

By Mr. Blain:

Q. You have the letter?—A. Yes, I can find it. The letter which I will read is from people who are looked upon as the largest manufacturers of binocular field glasses for Army and Navy use, Ross & Co., London. They say:—

“LONDON, S.W., 16th October, 1914.

“Messrs. P. W. ELLIS & Co., Ltd.,
Toronto.

DEAR SIRs,—

We beg to acknowledge receipt of your favour of the 5th inst., and thank you for inquiry.

Unfortunately, we are not in a position at present to offer you supplies of Prism Glasses as we are quite sold out of stock of all sizes and models, and the orders already on our books for urgent Military and Naval requirements will take about four months to execute.

Field Glasses and Telescopes are on list of “Absolute Contreband of War” and their exportation to all destinations is prohibited.

In the ordinary way permission would readily be granted to ship all instruments required by Canada but just now a license is practically unobtainable as our War Office are unable to obtain nearly sufficient Prism Glasses for the immediate requirements of the Forces that are being continually sent to the Front.

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In one or two instances when we have approached them they have suggested it would be advisable for our friends to apply to them for their equipments. We have no doubt that if suitable Glasses for the second contingent are unobtainable locally our Government will see that equipment is completed before they leave this country.

We do not know of any firm in this country from whom you could obtain supplies of Prism Glasses. We are practically the only manufacturers of quantities of these Glasses and although our works are turning out very large numbers of glasses each week we have been informed, unofficially, that if we can double our production all will be taken.

We are doing all in our power by taking on all available skilled men, extending our workshops, installing additional machinery, etc., to augment our output, but so far as we can see at present it will be the spring before there is a surplus and we are likely to be allowed to make any shipments.

Per book post we have much pleasure in forwarding to you a set of our latest catalogues giving full particulars of our Prism Binoculars, field, marine and opera glasses, sporting, military and naval telescopes, and when the present extreme pressure is over and we are in a position to offer you supplies we trust you will favour us with a share of your commands.

We have a fair stock of telescopes and have not the same pressure of orders in that department so that orders could be dealt with more quickly, besides there would be a better chance of obtaining permission to ship telescopes.

The maximum discounts we allow to the trade are as per card enclosed, and these terms we shall be most pleased to accord to you on any orders with which you may favour us.

Thanking you for reference, and awaiting your further communication, we are, dear sirs,

Yours faithfully,

(Sgd.) Ross Ltd.

By Hon. Mr. Reid:

Q. Who sent that?—A. Ross, Ltd.

By Mr. German:

Q. Have you the prices charged by those respective stores for the glasses sent to the Government?—A. No, sir, I cannot say offhand.

Q. The invoices would show all the prices?—A. Absolutely.

Q. You see, Mr. Mason, so far as your company was concerned, you had nothing more to do with them than to make an engagement?—A. That is all we had to do.

Q. They were sent in to the Government, invoiced to the Government?—A. That is right.

Q. And you got ten per cent for your commission for the purchases which had been agreed to by yourself and the Minister of Militia?—A. Yes. That was to be our remuneration for the amount of knowledge, time and work and everything else, the ability to get those goods. We were evidently looked upon as being a large institution, with a large organization, with wide ramifications, that would be able to get those goods, because the urgency required that somebody must do the work.

By the Chairman:

Q. You were to get 10 per cent and your expenses?—A. Yes.

By Mr. German:

Q. How did you come to know about those various people in different parts of the country having one or two glasses? Did you advertise?—A. No, we knew those people

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from our own business connections in our line of business. As we cover the country with our own representatives, we have a good knowledge of the possibilities of obtaining that class of goods.

Q. So you wrote to those various people?—A. Yes, to people we were doing a large business with.

Q. And in that way you found out where those glasses were, and what you could purchase?—A. Yes.

Q. Where there was only one glass, would that one glass be sent to the Department or to you?—A. To the Department.

Q. In every case they were sent to the Department?—A. In every case.

Q. With the price?—A. Quite so, yes.

By Mr. Blain:

Q. Have you the letter which you sent out to your customers?—A. Yes, sir. We sent out this letter to the various people. It is written to those particular firms whose names I have mentioned.

By the Chairman:

Q. What is the date?—A. August 27, 1914. (Reads):—

“TORONTO, August 27, 1914.

“Col. the Hon. Sam. Hughes, Minister of Militia, has asked us to help him to procure a large number of binocular field glasses. We have therefore taken the liberty of sending you this evening telegram as follows:—

‘Minister of Militia instructs us to procure every prism binocular field glass six or eight power that you can procure in your city, for our troops. Patriotism should mean each selling lowest margin of profit. Ship and charge to Militia Inspection Department, Ottawa, enclosing three invoices, sending extra invoice to us.’

which we herewith confirm, and we are depending upon you giving your prompt and careful attention so that the Minister of Militia may know within a very short time as to what he may expect as to the procuring of these glasses for the service of Canadian troops while abroad, and for your information we understand, if you will comply with the requirements of the Department and furnish them with invoices in triplicate, that payment for the binoculars will be forthcoming in about 30 days’ time, which period is required to have the invoices go through their regular routine for certifications and correctness, before payment is made.”

Q. Now, will you tell me, please, what amount of commission you received, or the P. W. Ellis Company received, on this total number of binoculars?—A. Well, I do not know myself, I have not a memorandum of that. I could not say, but it is no doubt quite easy to get at.

Q. Mr. Ellis is here, he will probably be able to tell us?—A. Yes, he may know. Could you tell us that, Mr. Ellis?

MR. ELLIS: You have it in the blue-book there that you have just been quoting from.

Q. On page 15 there is a list of accounts made by the Department of Militia and Defence on which a commission of 10 per cent was paid by cheque No. 5829 to the P. W. Ellis Company; there are various cheques there totalling \$90,115.66, and Mr. Ellis says that your commission, as you have already said, was 10 per cent on that, making \$9,011.56?—A. Yes.

Q. Assuming that that is the correct amount that would be your commission?—A. Yes.

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Q. On the purchase of these glasses, besides your expenses?—A. Yes. Because we did not know that the order was going to be so large when we started; the order increased from time to time as the urgency of the requirements came in.

Q. If you had known it would be so large you would have been willing to take a smaller commission?—A. No, that is not the way, but it might be if it was a big amount, from our point of view, the difficulties increased from day to day, because we could not go back on the ground we had already cleaned up.

Q. Let us see about the difficulties. According to the statements you have already given us the largest number of these binoculars were purchased here in Ottawa?—A. Yes, sir—well I do not know—I would say that is correct, it is, yes.

Q. And about two-thirds of them were purchased here in Ottawa?—A. I could not say the exact number.

Q. We will have to get that because, if my recollection of what you have said is correct, about two-thirds of these purchases in Ottawa were made from people who Mr. Brown and Colonel Hurdman knew had binoculars to sell, and to whom they referred you?—A. In the first instance?

Q. Yes?—A. They did not have the glasses in the first instance.

Q. No?—A. No.

Q. Just tell us how many binoculars were purchased in the city of Ottawa, and the whole number purchased by your firm?—A. I have not a memorandum of that here.

Q. You have the totals there?—A. I would have to calculate it.

Q. Then calculate it. You have lots of time here. You have 775 you purchased from Topley?—A. And 137 from the Hughes-Owen Company.

Q. How many from Topley?—A. 796.

Q. And from the Hughes-Owen Company?—A. 137.

Q. And what other big amount did you get here in Ottawa?—A. 166.

Q. From whom did you get them?—A. The Keystone Supply Company.

Q. Who else? From what other person in Ottawa did you get any large number?—A. Those are the large numbers. E. R. Watt, have you Watt's purchase.

By Mr. Kyte:

Q. How many did you get from E. R. Watt?—A. 88.

Q. That is in Ottawa?—A. Yes—no—they are in Ottawa, yes.

By Mr. German:

Q. And there are four firms in Ottawa who supplied glasses, to all of whom the Militia Department referred you when you came down here?—A. Yes—no—well practically that is right.

Q. Practically that is right, and, outside the small number supplied by others, they aggregate 1,187 out of 2,200 that you were to purchase; that is a little over a half?—A. Yes.

Q. So that over a half of the commission which your company earned was earned in purchasing glasses in the city of Ottawa from firms to whom the Militia Department had referred you?—A. I would say that is right.

Q. Those were all for the First Contingent?—A. I could not say, I understood they were, that is what I understood but I could not say.

Q. Did you have anything to do with buying glasses for the Second Contingent?—A. I could not say, I do not know about them as to contingents, at all.

Q. When did your operations as commission merchants, if I can put it that way, for the Government, terminate?—A. As soon as our order was completed.

Q. And when was it completed?—A. I am not sure exactly—(after consulting Mr. Ellis) January 5.

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By Mr. Kyte:

Q. Did you send that circular letter to the Topley Company of Ottawa?—A. I could not say positively; if we did not send them a circular letter we would likely write them as we wrote to J. E. Wilmot, Ottawa.

Q. You haven't a copy of that on your file?—A. I have not a copy of all my letters to these people in it, as they are practically all alike.

By the Chairman

Q. How many did you write to altogether, since you started, from first to last?—A. I could not say how many, but we wrote to over 100 people.

Q. All over Canada?—A. We wrote all over Canada. We had our agents in New York doing everything possible in the United States, and we sent our representative to Rochester specially.

By Mr. German:

Q. Here is another company that the Militia Department knew all about, this company in Toronto that you purchased a large number of glasses from; the Consolidated Optical Company, how many did you purchase from them?—A. I think it was 181; of course that was only because we could not get any more. When we first went there they said they had 300, but they could not give us any more than that.

Q. I just wanted to know the number you did purchase from them because Mr. Brown of the Militia Department told us that they knew of two of these Toronto concerns and that they could supply glasses, so that makes 1,818 that you purchased from people, to whom the Department referred you?—A. No, no, we knew them as well as they did.

Q. They knew them as well as you did?—A. I do not know whether they did or did not, we knew them anyway.

Q. So that left only about 700 pairs that you purchased outside of those firms I have named, from other sources that were unknown. You got 1,187 from Ottawa sources, the big firms, and the Consolidated Optical Company of Toronto, making 1,818; only leaving about 700 to be purchased, catch as catch can, when and where you could get them?—A. Yes.

By Mr. Kyte:

Q. How many did you supply yourself?—A. We did not supply any.

Q. Who advised you to go to the Keystone people in Ottawa for binoculars?—A. They submitted samples of what they could supply; his agent in New York, we understood, had purchased them; those glasses were standard goods, and they said they had 100 glasses, I think, which they could turn in, and as they were satisfactory to the Department we accepted them.

Q. The Keystone people do not handle binoculars, they are not in that business, are they?—A. I do not know; Mr. Birkett was the man, I do not know what line they handle specially.

Q. Who is Mr. Birkett?—A. I understand that he is a wholesale hardware man here, and their New York man knew where the glasses could be bought and these people bought them through their New York representative, they knew the glasses were wanted.

Q. Mr. Birkett knew that glasses were wanted?—A. It was commonly known, I suppose.

Q. How did you come to go to a hardware firm that did not carry glasses?—A. We did not go to them, when I was in Ottawa, one day, looking over the returns that were coming in, all these glasses had to be submitted to me, they brought them there to the inspection room, where I was at the time.

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Q. Who brought them?—A. Mr. Birkett, and said that their agents had secured 100 of these glasses.

Q. Where?—A. In New York—and if we would take these glasses—I may be wrong but that is to the best of my recollection—and if we would take these glasses they could supply them at any time.

Q. So, as a matter of fact, they purchased them in New York to be sold to you?—A. No, no.

Q. They were not carrying them in stock?—A. Oh, no, they did not purchase to sell them to us at all, they purchased them to sell them to whoever they wanted to sell them to. When these goods were offered and they were up to the standard and the department would take them we did not turn them down.

Q. They did not have them in stock here in Ottawa?—A. We understood they had them, that Mr. Birkett had the glasses, that he had secured that amount.

Q. You say his agent in New York had them?—A. He told me that his agent in New York had secured them for him, or he or his men had secured them.

Q. Did you see any of the glasses there?—A. At Mr. Birkett's?

Q. He showed you a sample?—A. No.

Q. You did not know that he had them in stock?—A. I never saw the glasses, I presume he had them.

Q. There was no circular sent to the Keystone Company?—A. No.

Q. Nor to the Watt Company?—A. No, I do not think so. Because the Watt Company are looked upon as people who had supplied the Government, and we did not think we would be doing our duty to turn them down.

Q. You only sent these circulars to parties who had small quantities?—A. No, to the important jewellers throughout the large centers.

Q. But speaking of Ottawa?—A. Yes.

Q. You only sent them to those people who would have small quantities on hand, not to those who would have large quantities?—A. The larger people might possibly have got them.

Q. You would not say they did?—A. Very likely they did.

Q. You will not say they did?—A. Henry Birks likely would get it. I would assume so, I could not say definitely.

Q. And you say the Watt people did not get the circular?—A. I would not say they did not. I would not be sure whether they got that letter or not.

Q. You cannot say that they did?—A. If not we impressed upon them the same thing which would be in the letter.

Q. When you saw them in Ottawa?—A. Yes. If we did not confirm that by letter I could not say definitely whether we wrote them or not.

By Mr. German:

Q. Did you have anything further to do with binoculars beyond what you have already stated, I mean of course the P. W. Ellis Company?—A. The P. W. Ellis Company? We sent our representative to Rochester, I think I told you that while we were trying to find out in Toronto what could be procured, while we were having our agents in London look around, and while we were having our New York agents watch, we sent our representative to Rochester to the Bausch factory and he reported they had no glasses, and they could not give us any glasses. We went there first thinking we would go to headquarters.

By Mr. Kyte:

Q. To whom in Rochester?—A. The Bausch & Lomb people. They said they had no glasses.

Q. Do you know the Consolidated Optical Company bought a thousand from them afterwards?—A. The Consolidated Optical Company said the same thing, they had none, because we tried them the same time we tried the Bausch & Lomb people.

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Q. Do you know the Consolidated Optical Company purchased 1,000 prismatic binoculars from the Bausch & Lomb people?—A. Well, I did not know that they had. Certainly the Consolidated Optical Company had no glasses to offer us.

By Mr. Samuel Sharpe:

Q. Are you interested in that Company?—A. No. As I say, we could not get any there. He went on to Chicago then.

By Mr. German:

Q. You say he did not get any?—A. He did not get any except a few that—

Q. I am not concerned with what you didn't do but with what you did do.—A. In Chicago we got I think about 200 altogether, and we got 180 some odd in Buffalo through the Bausch & Lomb Company later, and we got 75 in New York.

Q. Did you purchase the whole 2,000 and odd binocular field glasses which the Government required you to purchase and on which you got 10 per cent commission?—A. Personally I did not myself.

Q. Did your firm through you?—A. Not through me.

Q. Well, your Company, the P. W. Ellis Company, purchased 2,200 binocular field glasses—A. What was that again?

Q. Through the P. W. Ellis Company there were 2,200 binocular field glasses purchased for the Government?—A. That is right.

Q. That is right? Now 1,187 of these were purchased in Ottawa, 131 were purchased from the Company in Toronto, 200 were purchased in Rochester and 180 in Boston?—A. No, not Boston, oh no. We did not get any in Boston; about 200 in Chicago.

Q. 200 in Chicago and 180 were purchased you said—A. In Buffalo.

Q. And then having purchased those 2,000 and odd glasses that ended your connection with the Government so far as the purchase of binocular field glasses was concerned?—A. Yes, sir.

Q. That wound up the transaction?—A. Wound up the transaction.

Q. And you had your ten per cent commission?—A. Yes, sir.

Q. For the purchase?—A. Yes, sir.

Q. And your expenses?—A. Quite so.

Q. That is all?—A. No. By the way, we have not been all paid by the Government yet.

Q. The Government has not delivered yet?—A. But the Government is good for it.

By Mr. Samuel Sharpe:

Q. Approximately what were the expenses?—A. I could not say, not a big amount.

By Mr. Lalor:

Q. Did Mr. Stobart, the English agent, buy any glasses from you?—A. No.

Q. Are you aware he has made great efforts to purchase these same field glasses in Canada and the United States?—A. I understood he endeavoured to get glasses but he did not do it.

By Mr. Blain:

Q. Are any of these glasses manufactured in Canada?—A. None. I have never seen any glasses made in Canada.

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By Mr. Samuel Sharpe:

Q. You made use of the expression that the Militia Department referred to a certain place. What do you include in that term?—A. Oh, I mean simply that Colonel Hurdman, the Inspector, with whom we were endeavouring, we were permitted to consult and to the use of the offices of, what shall I say?

By the Chairman:

Q. The name of the Department.—A. The employees or the staff or what you like, when we thought it advisable to get goods.

By Mr. Nickle:

Q. Can you tell me the names of persons in the Militia Department who referred you to those from whom glasses might be purchased? Give me the names of the people.—A. I say the only person who gave me the names was Colonel Hurdman, because he made inquiries himself, as he told you yesterday, two or three days before. It was only because he had made these inquiries that he knew, otherwise I question whether he would have known. He only went down on his own initiative.

By Mr. Samuel Sharpe:

Q. Has the firm of P. W. Ellis & Company made any profit outside of the 10 per cent?—A. No.

Q. From any of these firms?—A. No.

By Mr. Bennett (Simcoe):

Q. Who are Bausch & Lomb, are they manufacturers?—A. Yes, sir, they are the largest manufacturers of field glasses in America.

Q. And what time was it you applied to them for binoculars?—A. The day after we got the order.

Q. That would be in August?—A. The day after I arrived home Mr. M. C. Ellis sent our representative to—

By Mr. Sharpe (Ontario):

Q. Was there a maximum price you charged the Government, or was there any suggestion made as to what the price should be?—A. Do you mean with the Bausch & Lomb people?

Q. Any of these parties?—A. Every person we bought glasses from was instructed to charge the very lowest possible price.

Q. I suppose they varied in their prices?—A. They varied in their prices.

Q. Is there a standard price for this class of binoculars?—A. I don't know that there is a standard price.

Q. There is to the trade, I suppose.—A. I don't know that there is a standard price to the trade.

Q. Manufacturers would sell at the same price to the trade?—A. I could not say they could, I do not know that.

By Mr. Bennett (Simcoe):

Q. I understood you to say you bought some in Buffalo?—A. Yes, sir.

Q. How many did you buy there?—A. I bought I think it was (after referring to memo) 140.

Q. Do you know who they were bought from?—A. They were bought from the Bausch & Lomb people, the Buffalo agents of the Bausch & Lomb people.

Q. Could these Bausch & Lomb people have created a monopoly and told the manufacturers to put up the price?—A. Well, I think that they soon established themselves as a monopoly owing to the European goods being used up.

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Q. Did you forestall them in any way by your activity and zealousness?—A. I think I should say we certainly did. When we found that the Bausch & Lomb people would not supply us with any goods, and the Consolidated Optical Company would not supply, the Consolidated Optical people claim they could not get any goods from Bausch & Lomb people, the Bausch & Lomb people giving the reason that they were not shipping these goods out of the United States owing to the fact that they were contraband of war,—we got in touch through our various efforts with the Bausch & Lomb agents in Buffalo.

Q. Who were they?—A. The Niagara Optical Company. We thought the Bausch & Lomb people would be willing to sell to them and that we would take them from the Niagara Optical Company to Toronto without anybody in the United States being any the wiser and we succeeded in getting that 140, and then the supply stopped, we could not get any more.

Q. Do you know at what price you bought from this Niagara Company?—A. The Niagara Optical Company? Their goods were laid down for \$33.54 for the 8 by 25.

Q. How would that compare with the price paid in Canada all over?—A. The others in Canada?

Q. Yes.—A. It was much lower. Theirs was the best price we were able to get.

Q. About how much better?—A. Oh, considerably better. The first glasses we were able to get of this particular make, I think they were— Oh, ten dollars higher, or \$89.

Q. So, then, from the 180 glasses you bought from them, or the 140, you effected the saving of nearly \$1,400 by your activity.—A. That is right.

Q. From any other Companies did you make a saving by your activity, if we can call it that?—A. Yes, through getting that low price from these people, which was the lowest price at which these goods were ever laid down to the Government in Canada so far as we know.

Q. Were you able to use that as a leverage on other firms?—A. Yes, we did. We do not know, but we assume that these goods being laid down here at the prices they were, made the goods that they had been supplying look dear, although we had asked them to give their best price, and no doubt they felt the price they charged was the best they could give.

Q. Now, take one case. This Keystone Company, what did they receive from the Department? Have you their prices?—A. No. I have not got that, but their glasses were—

Q. What were the other prices?—A. The Topley price, I think, was \$50, and the Consolidated Optical Company was \$50 for each 8 by 25.

Q. Do I understand that the Topley price originally was \$50, or something like that, and all this competition had the effect of reducing the price?—A. Well, the lowest prices we were able to get for these was from the Topley people, and they made, and they had, at this particular period, the Bausch and Lomb people.

Q. Had the Topley people been contracted for at the advanced price—the higher price I will call it— of \$52, or whatever it was, or any of them?—A. I will tell you. Through the getting of these special prices, the Topley people, when they offered goods later, we succeeded in buying 500 from them at \$38 and \$46.40.

Q. Did they hold the original prices or rebate?—A. They rebated, because we pointed out to them, one of the reasons why we gave them this order was that they must rebate the Government on the goods they had supplied previous to this order.

Q. We will be able to figure out what was paid and rebated by Topley later. Did any other company rebate?—A. The Consolidated Optical Company.

Q. What was that?—A. Quite a considerable amount. Something like \$600 or \$700.

Q. And you feel that that was due to your activities?—A. It was due to our activities, because I feel that—

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Q. Just one question. I suppose it would have been possible for the P. W. Ellis Company to have bought these goods and sold them at a profit themselves?—A. I beg your pardon.

Q. It would have been quite possible for the Ellis Company to have gone on the market and bought them and sell them to the Department if they had desired to do it?—A. What companies?

Q. The different companies we are speaking of?—A. If we had not obtained them do you mean?

Q. Let me illustrate. These men who sold Topley themselves made a profit?—A. Yes.

Q. Have you any idea what it would be what percentage?—A. I could not say. I could not tell what other things they had to pay.

Q. Had the firm of Ellis wished to act underhanded, they could have bought at the manufacturers' prices, and then turned them over to the Department?—A. That thing was possible, but—

Q. But they did not do that?—A. Oh, no. We used our efforts in every possible way to get the best possible price. We certainly endeavoured to merit the confidence that was placed in us.

By Mr. Chisholm (Antigonish):

Q. In your letter to the dealers you suggested patriotism as a reason why they should give the best prices, in your circular letter?—A. Yes.

Q. You found though when they came to give prices that patriotism seemed to vary?—A. We would not say that.

Q. Prices varied?—A. Yes.

Q. And in the United States you got a better price than you got in Ottawa?—A. Yes.

Q. From the American firms you got a price of \$5 better than Topley's?—A. From the Niagara Optical Co. But we could get no more from them.

Q. Those that you bought from them you bought at a lower figure.—A. Yes, than anybody else.

Q. Did their prices include duty?—A. It includes duty.

Q. It was not material to you what the price was. You were getting 10 per cent?—A. Our instructions were to do the best we could.

By Mr. Bennett (Simcoe):

Q. And the lower the price, the less money you got?—A. The less money we got.

Q. And in the face of that you were hammering down the prices?

By Mr. Blain:

Q. These glasses were not all the same kind, a standard glass?—A. All the glasses for the Government, oh, no. I can say this, we had to get everything as near as we could.

Q. All kinds for a variety of prices?—A. Yes. And the conditions under which the people were able to buy them. You could not expect a man who only had a few to do as well as a man who supplied a larger quantity. If we contracted any of those who had a supply, they gave their best price?

By Mr. Sharpe:

Q. The circular letter was merely asking them to send in what glasses they had at any price they might want to charge the Department?—A. That was, whatever that meant, was their lowest price. We asked them their lowest and best price.

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By the Chairman:

Q. These miscellaneous glasses were bought from small dealers?—A. Anywhere, any glasses that we thought would pass the inspection, we endeavoured to procure where ever we could get them.

Q. And you had them from retailers and wholesalers?—A. The Buffalo people did not have any.

Q. You got them in miscellaneous lots from retailers who carried them in stock?—A. Yes, sir.

By Mr. Chisholm (Antigonish):

Q. Did you check those bills you received?—A. Yes.

Q. Did you compare the prices?—A. Yes.

Q. Did you compare them with the prices of the various other quotations you received from large firms?—A. Yes.

Q. Did you in consequence of that make them make a reduction?—A. Yes, we succeeded in getting all the small ones we could.

Q. I am not asking what the ultimate result was. I am asking if you communicated with the shipper and called attention to the fact that his prices were too high?—A. On the small ones?

Q. Yes?—A. Not on the small ones. We checked over the larger invoices.

Q. Have you compared the prices?—A. They sold them as low as they could.

Q. So far as you know. You assumed that?—A. We assumed that they did.

Q. There was no check then on them so far as their invoices were concerned?—A. I had a check.

Q. You had no check on them. You were not reducing their prices?—A. We did not reduce their prices. If we had seen or if the department had seen what they considered a glass coming from these people at what they would consider is not right in price they would not allow that glass to go through.

Q. They were the judges, the shippers, they were the sole judges of the best price?—A. They were the judges, but I cannot say that we saw an extraordinary price.

Q. Did you as a matter of fact see any extraordinary price?—A. No.

Q. Then you were only putting a suppositious case. As a matter of fact you checked nothing.

By Mr. Lalor:

Q. It was the Topley at Ottawa that you got your reduction from?—A. Yes, we did get a reduction.

By Mr. German:

Q. How much of a reduction?—A. I could not say exactly. But I think we got a reduction of—I think it was a reduction of \$300 or \$400.

By Mr. Sharpe (Ontario):

Q. By reason of your representations?—A. Yes, by reason of our representations.

By Mr. Chisholm (Antigonish):

Q. Who made that reduction?—A. We made it.

Q. You or the department?—A. Our company.

Q. You called attention to the fact that others were supplying at a lower figure?—A. They wanted us to buy more glasses. We had an option of 500, they offered them to us. We said we would take those glasses, and we would give them this price, which we considered was a low price, provided they would rebate on all the glasses they had supplied of the same make down to that price?

Mr. BENNETT (Simcoe): And they lost the profit by it.

The WITNESS: We lost the profit by it.

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By Mr. Davidson:

Q. How do these prices paid for the glasses in Buffalo compare with the prices that obtained in Canada before the war broke out?—A. I could not just say. At that time these prices were exceptionally advantageous prices.

By Mr. Bennett (Simcoe):

Q. Did you know what profit the Buffalo company got?—A. That I bought from Bausch and Lomb?

Q. Yes. They turned them in?—A. They were turned in to the Government, we passed them over. It made a big saving to the Government, and if we could have kept that up, because we did not think that the Bausch and Lomb people would know they were going that way—we would have had a whole contract completed at a magnificent saving to the Government.

By Mr. German:

Q. Do you know who the Consolidated Optical Company is, who are the chief officers?—A. I do not know who composes the Consolidated Optical Company.

Q. Who is the president?—A. I do not know who the manager is, but the people we met there were Mr. Crews and Mr. Amsden.

Q. Of Toronto?—A. Of Toronto, yes,

Q. Do you know a Mr. Fred W. White, of Ottawa?—A. Yes.

Q. Of the Hughes-Owens Company?—A. Yes.

Q. Did they supply glasses?—A. Yes.

Q. You have told us, I think, 137, was it?—A. I could not say exactly. The Ontario Hughes-Owens, 137, yes.

Q. Did they have a quantity of glasses that they desired to supply which you refused to accept?—A. Not that I know of. I do not know of any glasses we refused to accept. I do not remember any glasses that we refused to accept. The list of glasses we got from the Ontario Hughes-Owens were glasses which were on the way from England, 67 I think it was, and we talked to them. [We did not go out, in other words we discouraged, unless we found that people had any glasses, we discouraged creating competition for the Government. We did not want these people to become speculators when we ourselves were making efforts in so many different channels. In other words we did not encourage the people who had glasses to offer, and the goods were looked upon as satisfactory, the urgency naturally suggested to us that the goods should be offered to the Department.

Q. Now, I would like to ask you. You had other business relations with the Government besides binocular field glasses?—A. Yes, sir.

Q. On commission?—A. Not on commission, no.

Q. And what were the other articles besides field glasses?—A. Badges, military badges.

Q. To what extent?—A. Military badges. We received an important order, I do not remember exactly how many, for the first contingent.

The CHAIRMAN: Is this question brought up in this Sessional paper?

Mr. GERMAN: I asked for a Return, which is not down yet, and I suggested when the motion was made for this Return that if the Return that I had asked for was not down, I asked the Prime Minister if it would be all included in this investigation, and he said he saw no reason why it should not be.

By Mr. German:

Q. Now, would you just explain that transaction?—A. Well, the Minister of Militia asked us if we could supply, he asked us if we made badges for the South
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African contingent for the Liberal Government, and we said we did, and he asked us could we supply the badges for the present contingent, and we said we could, that we had the dies and the tools which we had used before, and they would be of big assistance, and we would put our whole factory at the disposal of the Government to turn them out if they gave us the order.

Q. You got the order. It was not that so much I was after. What about table cutlery?—A. The table cutlery. We understood we enquired from the Minister on another occasion, if there was any goods required, anything else that we could make, and we understood that there was a number of knives and forks, the quantity we did not know, but we got the order from the Department, from Mr. Brown, for a number of knives and forks, and we quoted a price which was equal to what they had placed before.

Q. How much of an order did you get for table cutlery?—A. I do not remember offhand.

The CHAIRMAN: You asked the Prime Minister if he will extend the scope of the enquiry to goods purchased by P. W. Ellis & Co. or through P. W. Ellis & Co. from other persons?

Mr. GERMAN: The Return which I moved for only relates to the purchase of tires for motor trucks for the Militia Department, and another in reference to commission paid to P. W. Ellis & Co.

By Mr. W. H. Bennett

Q. How did the prices for the badges compare with those you sold to the Government for the South African Contingent?—A. I would say the price was about the same—no, I think the badges we supplied last year were lower than what we supplied to the Liberal Government.

Q. You have the prices?—A. Yes, I think the price was lower and the quantity was larger.

Q. That was the main reason?—A. Yes, we supplied them lower.

By Mr. German

Q. The firm of P. W. Ellis do not make table cutlery?—A. Oh, yes.

Q. You do not manufacture?—A. Yes sir, we make table cutlery; we use thousands of ounces of silver.

Q. In plating; you do the plating work?—A. Yes.

Q. Do you make the blanks? Do you forge the knives and spoons and forks in metal?—A. Not in metal.

Q. It was metal material that was to be supplied to the Government?—A. We did not know, but I think we saw the samples and what kind of goods they were.

By Mr. W. H. Bennett

Q. Had you stocked up in those?—A. Similar goods?

Q. In a large way?—A. Oh yes.

By Mr. German

Q. How much of an order did you get?—A. I do not remember exactly.

Q. Approximately?—A. Probably twenty thousand pieces.

Q. Not more than that?—A. I cannot say; I do not remember the exact amount.

Q. Can you give us the price?—A. I think ten cents apiece for the knives, and ten cents apiece for the forks.

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Q. And the spoons?—A. We did not get any spoons; I think it was just in those forks.

Q. You did not yourselves make any of those blanks that you supplied?—A. No, but we do that. Those particular ones we did not make.

Q. You do not make that kind at all?—A. No.

Q. You had to get it made from other sources?—A. Yes.

Q. From what sources?—A. I do not know; it did not come under me. That was our Silver Department. It did not come under my Department. I did not order them. I do not know where we got them.

Q. Who would know about that?—A. Mr. M. C. Ellis might know.

Q. Do you know, Mr. Ellis, of the knives and forks that were supplied to the Government?

Mr. M. C. ELLIS: I know we did supply them. We made a price for them, and it was accepted.

Q. Do you know the price?

Mr. M. C. ELLIS: Ten cents each.

Q. You say, Mr. Mason, it was about 20,000 pieces?—A. Roughly speaking. There was only one lot, so the invoice will be in the Department.

Q. The Department could tell us what you supplied?—A. Yes.

Q. Ten cents each was the price of the goods supplied?—A. And delivered in Ottawa; that is according to my recollection.

Q. I suppose you cannot tell us what the cost of the plating is?—A. No, I cannot tell you; I do not know anything about that.

By the Chairman:

Q. What do you say was the price charged?—A. They were better goods in our judgment than the samples we had to measure up to; vastly better goods. That is the impression I gathered from what I heard our men saying, and the price——

Q. How does it compare with the general trade price?—A. Much lower.

By Mr. Kyte:

Q. Do you know if the Topleys supplied any binoculars to the Government besides those they supplied through you?—A. I have not followed it up; I do not know.

Witness discharged.

Mr. M. C. ELLIS called, sworn and examined.

Mr. W. H. BENNETT: If there is any particular point that Mr. Ellis wants to mention, we might hear him.

By the Chairman:

Q. What is your position in the firm?—A. Vice-president of the P. W. Ellis Co., Toronto.

Q. How long have you been in business there?—A. Since 1877.

Q. And you are still in business there?—A. Yes.

Q. Is there anything particular that you wish to explain to the committee?—A. One point I would like to make clear to the committee, the point which was brought

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out, why did we go to the Topley people, and why did we buy so many glasses from them. I think that in fairness to ourselves, that requires a clear and explicit explanation.

Mr. GERMAN: I do not think there is any complaint about your going to the Topley people and buying. You were appointed by the Department as commissioned merchants and agents to buy, and you had a right to buy where you liked. The only complaint is that the Government did not buy themselves.

The WITNESS: I want to show you how much we saved for the Government; that is the point. In the first place, we succeeded, after a very great deal of difficulty, in getting a line on the Bausch & Lomb glasses, and through our endeavours in Buffalo we succeeded in laying down a quantity of glasses in Canada at a lower price than had ever been sold to the Government before; in fact, so low that we only wished we could have kept up the good work for the Government. But naturally the dealers in Canada learned that those glasses were coming in at exceedingly low prices. We knew that the Bausch & Lomb people are very careful and jealous in looking after their agents. When we laid down those glasses for \$33 and \$41, we were then able to go to the Topley people, who we learned had an option from the Bausch & Lomb Co. for October. We had already got an option from the Bausch & Lomb people for January, too late for our contract, or we would have been able to save thousands of dollars for the Government. The Topley people made the prices very low and advantageous for the Government; that is why we bought so many in Ottawa. It paid the Government, and was a great saving. We bought 500 glasses. We learned that the agents of the Allies, the French, British and Japanese agents, in fact, all the Allies' agents, were endeavouring to buy glasses in Canada, and the difficulty was very great in keeping prices down and in getting the glasses. We managed to fill the order at the low average of \$39, an average far below what had ever been obtained before. We got those glasses from Topley, 8 x 25 mm., at \$38, and 6 x 30 at \$46.46. Up to that time, that was the next most favourable transaction which we made. When the English agents came, we asked Topley if they would accept another two hundred. They accepted the contract, but they never filled it, because the Bausch & Lomb people had sold them, and the English Government got away with them at a much higher price. The whole transaction is one that we are proud of.

By Mr. W. H. Bennett:

Q. There was talk of a large number from some other Company, was it a thousand?—A. Yes.

Q. Tell us about that.—A. The Consolidated Optical people offered us, when they got that option of one thousand, as our contract did not call for any such number; therefore we did not take hold of it. We had to give an answer in a few hours, but they did sell those glasses to the Government at very satisfactory prices. The prices they charged the Government were identical with the prices we charged, with the commission added, so we saved in that transaction for the Government.

Q. How much did you save in that one thousand transaction?—A. The one thousand glasses were sold on the same basis as we bought those glasses from the Topley people. Where we made a big saving was on the Buffalo purchase.

By the Chairman:

Q. Anything else?—A. There was another point in reference to the badge business. When the badge business was first introduced I am keen for business and I sent our man at once to Ottawa with a sample and illustration of the badges which we supplied to the former Government for the South African troops. They at once said that the crown would not suit because it was not the present device. We undertook

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to do the badges. We made low prices, they accepted our offer and we cut new dies. We had to cut an entirely new set of dies because the crown was different from the present device. If any one has any questions to ask about the badge business I shall be glad to answer them.

By Mr. Lalor:

Q. Were the prices paid by the Canadian Government for those glasses lower than the prices the English Government paid?—A. Yes much lower; an exceedingly low average. It is a matter of fact that Mr. Stobart the British purchasing agent in Canada was trying throughout the whole of the United States. He got away with our two hundred glasses. We were fighting like tigers to keep the prices down low.

By Mr. W. H. Bennett:

Q. Do you know how much Stobart advanced for them?—A. You have the letter right there. The Deputy Minister of Militia in his letter of January 23, 1915, says:—

“Moreover, I am advised that after Messrs. Bausch & Lomb had made these quotations of \$41 and \$51.70—”

Remember, \$41 and \$51.70, and we laid them down in Canada for \$33 and \$41. Put the Canadian duty on the price at which they were sold to the British Government, which would make it \$51.25 and \$64.62. These are the prices at which they would sell to the British Government, so you can see how much we saved for the Canadian Government.

By the Chairman:

Q. There is something following with regard to Mr. Stobart. What do you know about that large order from the British War Office? The letter says: “They were induced by Mr. F. W. Stobart, representing the War Office, to undertake an order for a very large quantity, said to be 10,000 binoculars”?—A. Yes, I know about that order, and I know that the Bausch & Lomb people fitted up a special room for the English inspector who remained almost entirely on the job. I might say, also, that the Bausch & Lomb people when first we started out were only able to supply a limited amount of goods, but they have since enormously increased their plant in order to turn out these glasses. I understand that the Bausch & Lomb glasses 6 x 30 are now sold in Canada at \$65, which we laid down as low at \$41, and as stated there, the English Government had taken a large quantity 10,000, at a figure several dollars higher than the Canadian Government paid.

MR. KYTE: This correspondence that has been brought down here to-day with reference to this matter should be left here for the information of the Committee.

MR. DAVIDSON: Shouldn't we call Colonel Jones, whose name has been mentioned by some of the witnesses to-day?

THE CHAIRMAN: I have received two letters from him lately, he is in England, at the front.

Witness discharged.

Committee adjourned

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HOUSE OF COMMONS,

Room 100,

WEDNESDAY, March 24, 1915.

The Select Standing Committee on Public Accounts met at 11 a.m., Mr. Morphy presiding in the absence of Mr. Middlebro, Chairman.

The Committee proceeded to the further consideration of "Sessional Paper numbered 122 of the present session of Parliament and all other papers in relation thereto, being copies of correspondence between the Auditor General and the Department of Militia and other departments of the Government, laid upon the Table of the House in respect to expenditure under the War Appropriation Act," referred to them by the House.

Hon. Mr. REID: There are one or two matters we will have to clear up in the Powell case, if you do not mind. I would like to call Mr. Brown.

Mr. H. W. BROWN recalled.

By the Chairman:

Q. You are sworn, Mr. Brown?—A. Yes.

By Hon. Mr. Reid:

Q. Mr. Brown, there was a witness here yesterday by the name of Shaver, and he made a statement with reference to the purchase of medical supplies. He states in his evidence that he went to see Colonel Jones; and here is his evidence:

Q. And then what conversation did you have with Colonel Jones?—A. He said that the Government would not do business direct, although he regretted it.

I would like to ask you if that statement is true in so far as the policy of the Militia Department is concerned?

Mr. GERMAN: What can he tell?

Mr. CARVELL: He can tell us as far as he is concerned not what Colonel Jones says.

Hon. Mr. REID: I asked what the policy of the Militia Department is and he is supposed to be the authority through whom all contracts must pass.

The CHAIRMAN: I don't think there is any objection to it.

Hon. Mr. REID: I want to put the question in a fair way.

Mr. CARVELL: Bring Colonel Jones here and ask him.

Hon. Mr. REID: He is in England, or I would bring Colonel Jones.

The WITNESS: Would you give me that question again?

By Hon. Mr. Reid:

Q. I said in the evidence yesterday, Mr. Shaver swears that Colonel Jones told him—he stated that the Government would not do business direct, that is direct with the manufacturer?—A. That is not the rule, and it is not the policy of the Department that I ever heard of. I never heard of any such instructions as that given to anybody.

Q. And all contracts pass through you?—A. Well, I am supposed to do the buying. Colonel Jones is not the buyer, he is not a buyer for the Department.

Q. Therefore that has not been the policy of the Department?—A. That has not been the policy so far as I know. I would be very much surprised if it were.

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Q. Mr. Shaver also stated that he and Mr. Garland came to you with reference to this contract. Did you understand at the time you were discussing this matter with Mr. Shaver that you were dealing direct with this firm he represented?—A. Yes, I did.

Q. That was the impression Mr. Shaver gave you?—A. That is the impression he gave me.

Q. And when he left your office he gave you the impression you were buying direct?—A. I was buying direct through their representative in Ottawa, Mr. Powell.

e Q. Whom you had never known or heard of before?—A. No.

By Mr. Boys:

Q. You have stated it was not the policy of the Department. Was it the practice of the Department?—No, it was not the general practice of the Department by any means.

By Mr. Chisholm (Antigonish):

Q. So far as the policy goes you have nothing to do with that, that is a matter for the Minister?—A. Yes, I have nothing to do with that.

Q. You are simply an employee of the Department?—A. Yes.

Q. And you know something about the practice, but you do not know anything about the policy?—A. I would know something about the policy, because—

Q. You would have nothing to do with the shaping of policy?—A. I would have nothing to do with the shaping of the policy.

By Mr. Rhodes:

Q. You are the responsible official?—A. Buying is supposed to be done by me.

Q. Supposed to be?—A. I say supposed to be, because there are some few supplies that I dare say anybody else—there may be individuals in the Department who take upon themselves to do some of the processes of the buying, but the rule is that all stores of this kind are to be bought from my office by me.

Q. There must be responsibility lodged in some responsible officer of the Department?—A. Yes.

Q. Who are those officers?—A. Responsible for?

Q. For purchases?—A. The responsibility for the expenditure, the authority for the expenditure, is given either by the Deputy Minister or the Minister. Once the authority for the expenditure is given the buying is done by me.

By the Chairman:

Q. And the contract made by you in writing?—A. That is the usual practice.

By Mr. Rhodes:

Q. I understand a binding contract could be made by the Deputy Minister or yourself?—A. Yes.

Q. No one outside?—A. It is not regular.

Q. It would not be regular.

By Mr. Carvell:

Q. But it is done?—A. It is not usually done.

Q. Is it done at all?—A. I do not want to say positively that it is not done at all, because I cannot remember of any case; but it is rather a large order to say it is absolutely not done at all. It is decidedly not the usual thing.

By Mr. Rhodes:

Q. In a case of that kind it would have to be ratified by the Minister or his Deputy?—A. Yes.

Q. I did not hear the testimony of Mr. Shaver yesterday, but I am led to believe that he made the statement that his firm were selling the same articles to foreign

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governments direct, and that he wished to do the same with respect to this Government?
—A. Yes.

Q. Assuming that that statement was made by him, I want to ask you the question if he ever approached you with the desire to do business direct, intimating that he was asked to buy through any person else?—A. No, the only times that I know that I can remember that he came to the office were on those two occasions; one was the occasion of the first order given to Mr. Powell for field dressings, and the other was the occasion of the first order given to Mr. Powell for miscellaneous medical supplies. One was about the 7th August, the afternoon of the 7th August, I think, and the other was about the 22nd August, or thereabouts.

Q. Assuming that that statement was made by Mr. Shaver, I want to bring to your attention in your direct evidence the statement which you make on page 23, in which you say that Mr. Shaver refused to give you prices?—A. Yes.

Q. You still affirm that position?—A. Yes.

Q. And you still affirm that in spite of that statement that was made by Mr. Shaver, that he wanted to do business direct, that you found difficulty from him in getting prices at all?—A. Yes.

Q. And I understand from your direct evidence also that Mr. Shaver was the man who told you that Mr. Powell was the agent of the firm in Ottawa?—A. Yes.

Q. Up to that time you were under the impression you were doing business with Mr. Shaver or his firm?—A. Yes.

By Mr. Carvell:

Q. Now, Mr. Brown, before you leave that point, you say that in almost all cases the buying is done by yourself?—A. Yes.

Q. Do you mean to say you bought these field dressings yourself. Didn't you tell this Committee that when Mr. Shaver and Mr. Garland came to you they came with instructions from somebody higher up to buy these bandages?—A. They came from Colonel Jones, I said.

Q. Do you mean to say that you had anything to do with buying them?—A. As much as I said the other day.

Q. What do you say to-day? There seems to be a great difference?—A. I did not know there was any difference.

Q. Do you say to the Committee that you exercised any personal discretion either as to the price or the persons from whom these bandages were purchased?—A. Yes.

Q. What did you do?—A. I endeavoured to get prices from Mr. Shaver; I also tried to find out what he could do in the way of deliveries. Colonel Jones had already seen Mr. Shaver, yes, Colonel Jones had already seen Mr. Shaver, and had discussed this question of deliveries with him, in addition, and had also discussed the question of kind.

Q. Mr. Brown, let us go back. We are too old at this game to be caught this way. What did you do, what personal influence did you exercise, either in purchasing from these particular people or in setting the price?—A. Well,—

Q. Did you do anything?—A. I do not believe I can say anything more than I have just—

Q. Did you do anything?—A. As I said a moment ago—

The CHAIRMAN: Let the witness answer.

Mr. CARVELL: I will treat the witness fairly.

By Mr. Carvell:

Q. What did you do?—A. I tried to get prices from Mr. Shaver.

Q. Did you succeed?—A. No.

Q. And you gave him the order without getting the price?—A. Yes.

Q. Because he was sent to you by Colonel Jones, isn't that right now?—A. Just a moment—

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Q. Did you give him the order because he had been sent to you by Colonel Jones?
—A. Because he had been sent—yes.

Q. That is all I want. Then you say you exercised some discretion in buying?

By Mr. Rhodes:

Q. I have a copy of the evidence given by Mr. Shaver yesterday, I want to read just a few paragraphs of it and ask you a question with respect to it. The first question is (reads):

“Q. When Mr. Brown asked you for a price did he ask you for a price on the whole requisition?—A. Oh, no, the prices on the whole requisition were all figured out, but the first field dressing was a special one, they knew something about that, and they wanted to get a price on it.

Q. What I understand is that the requisition had the prices filled out when you went to see Mr. Brown and Mr. Garland?—A. Yes, Mr. Brown agreed to the price.

Q. Who fixed the price?—A. I fixed the price for it.

Q. For Colonel Jones?—A. For Mr. Brown, the prices we had offered them at.

Q. The prices on the requisition were the prices charged to the Government by Mr. Powell, were they not?—A. No, the prices on the requisition were about the prices Mr. Powell would get the goods at, roughly speaking, there really was not any competition on the first requisition.”

What have you to say with respect to that statement?—A. That is not so. I say that is not so; I say this that I never saw any prices of Mr. Shaver's, not only that, but the requisition as it came to me from Colonel Jones did not have the prices. I gave Mr. Shaver at that time the list, the detailed list of goods that Colonel Jones wanted or had asked for——

Q. Let me interject another question there just for information. You said that there was a detailed list of the goods?—A. That would be Colonel Jones' own requisition.

Q. Just at that point, with respect to the assertion of Mr. Shaver as to the prices being on there, what do you say?—A. They were not. I gave the list to Mr. Shaver for the express purpose of getting him to put the prices on. I remember very well the circumstances of the case, and I asked Mr. Shaver to be very careful about this particular list, which was then our official file, and I did not want to lose it because it was the only record that we had of all these details. Therefore, I asked him to be very careful of it and to bring it back to us with the prices on it. He returned it to me and he gave me no prices, I never had any prices.

Q. In other words your recollection is directly opposite to that of Mr. Shaver?—A. As far as the prices are concerned, it is directly opposite.

Q. There is one other point with respect to the statement of Mr. Shaver that Colonel Jones had told him the Department would not purchase direct from your company. Had he any authority from you, as Director of Contracts, to make such a statement as that?—A. I never heard of such a thing before Mr. Shaver gave evidence.

Q. Did you authorize Colonel Jones to make such a statement?—A. No.

By Hon. Mr. Reid:

Q. Do you believe that he would make such a statement?—A. I can hardly believe it; it does not sound like Colonel Jones. I cannot say he did not make it but it does not sound natural that Colonel Jones would ordinarily make such a statement as that.

Q. With reference to the question put to you by Mr. Carvell a few moments ago that you had bought these goods because Colonel Jones had requested that they should be obtained?—A. Yes.

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Q. In that respect you were relying upon Colonel Jones as the head of the Medical Branch of the Militia Department?—A. Yes.

Q. And as such you would rely upon his judgment as to the quality and the price of the article?—A. No; as to the quality I would, but not the price. In that particular case Colonel Jones asked me to do the best I could as far as the prices were concerned; ordinarily Colonel Jones would not be concerned with the price.

Q. You would be governed by his directions as to the suitability of these articles for the militia?—A. Yes, and in such a matter as these medical supplies very often we would take Colonel Jones' opinion in respect to the price, because he would know more about it than we would; but that is a rather exceptional case because these stores are so technical.

Q. And so you relied upon his judgment and technical knowledge as head of the Medical Branch?—A. Yes.

By Mr. Carvell:

Q. Did you try to buy these goods from any other person than Bauer & Black?—A. No.

Q. Did Colonel Jones ask you to try and get them from any other person?—A. No, except that Colonel Jones had already made these inquiries.

Q. And he instructed you to make these purchases?—A. No, I could not say that, he asked me to make them.

By Mr. Kyte:

Q. Where is Colonel Jones now?—A. In France, or England.

Q. How long has he been away?—A. Oh, some months, I think he went away with the first contingent.

By Mr. German:

Q. You have said you are supposed to do all the buying for the Department?—A. Yes.

Q. And it would be irregular if you did not?—A. Yes, it is unusual.

Q. And it would be irregular?—A. Yes, unless the purchase was authorized.

Q. But you did not do all the buying for the Department?—A. No, that is right.

Q. Then, in so far as you did not do all the buying, that buying outside of you according to your own statement was irregular?—A. Yes, it was unusual, but it may have been authorized.

Q. If it were authorized, who would it be authorized by?—A. By the Minister, or by the Deputy.

Q. You did not buy motor trucks, for instance?—A. No.

Q. You did not buy the tires?—A. No.

Q. You did not buy the binoculars?—A. No.

Q. And you did not buy the clinical thermometers?—A. Yes.

Q. You bought those, you say?—A. Yes.

By Mr. Carvell:

Q. You bought them from the party you were told to purchase them from?—A. I could not tell you.

Q. Why did you buy them from the source you did?—A. I could not tell you without looking up the papers.

Q. You could not?—A. I really could not.

By Mr. German:

Q. You purchased some of these medical supplies by tender, did you not?—A. Yes, that was later on.

Q. From other sources than Powell?—A. Later on we did, some time.

Q. Did you advertise for tenders?—A. It was mostly by circular letter.

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Q. And you received tenders from the different dealers in Ottawa?—A. Yes, that was later on.

Q. Have you the tenders?—A. Yes.

Q. They are in the Department?—A. Yes.

Q. And they can be produced?—A. Yes, there are a great many of them.

Q. Did you accept the lowest tender in your purchases?—A. Yes.

Q. Are you sure of that?—A. There have been a great many purchases made, but generally speaking we do; if we did not that was a mistake; the rule was to accept the lowest tender.

By Hon. Mr. Reid:

Q. And the instructions as well?—A. And the instructions.

By Mr. German:

Q. But the rule has not been adhered to, apparently, very strictly.

By Mr. Carvell:

Q. You would not say you violated your instructions and purchased from the higher tenderer rather than the lower, would you?—A. No.

Q. Then if you purchased from the higher, rather than the lower, you were not following your instructions, were you?—A. Yes.

Q. Now, did you purchase from the higher man rather than the lower?—A. Not as far as I know.

By Mr. German:

Q. Will you produce the tenders here?—A. What tenders? They make a pile of papers about that high (illustrating); I could produce them all, but if you are speaking of particular tenders I could produce them.

Q. The tenders for medical supplies?—A. I can do that, although, as I say, that will not be a pile as high as I suggested, but it will be quite a large number. I will produce them.

Hon. Mr. REID: There is no objection to the production of any tenders that we require.

The CHAIRMAN: To expedite matters Mr. German can tell the witness what he wants and those tenders will be produced.

WITNESS: If you can give me any instance in which the lowest tender was not accepted I would like you to do so.

By Mr. Carvell:

Q. I will give you a case right in point. Let me ask you this: Do you remember the buying of Canadian badges?—A. Yes.

Q. Did you do the buying?—A. I think so, I am not sure.

Q. Did you buy them by tender?—A. I could not tell you.

Q. Do you remember that 100,000 of these were purchased from Ellis & Company of Toronto at one time?—A. I know that a lot were bought from Ellis & Company.

Q. Then there was another 100,000 badges bought?—A. I could not tell you.

Q. Do you know the price?—A. Yes.

Q. I want you to look that up, and I want you to look and see if the lowest tender was accepted in that case, or not?—A. All right.

Q. Do you know who furnished the latest lot?—A. We got a number of them, I think.

Q. Did a man named Caron, of Montreal, tender?—A. Yes.

Q. Will you bring here, some time, all the papers in connection with the furnishing these badges?—A. Yes.

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Hon. Mr. REID: I want to say that if there is any information the Committee want, or any wrong-doing, as far as the Government is concerned, we want to ferret it right to the bottom; we do not want to shield any person.

By Mr. Blain:

Q. It has been suggested that, in many cases, you did not accept the lowest tender?—A. I do not think that is so.

Q. You ought to know?—A. Yes, and I do not believe it is so; I do not believe that is so at all. Our purchases cover thousands and I do not know but tens of thousands of instances, and I cannot say offhand exactly what was done, but I do not believe that was the case at all.

By Hon. Mr. Reid:

Q. Is it not a fact that badges are of different sizes and kinds, and that the prices differ accordingly, so that the price of goods bought from one firm would differ from those furnished by another firm and therefore you cannot make a comparison intelligently unless you know what the badges were in each case?—A. Yes.

By Mr. Blain:

Q. Did you ever buy any badges before the war broke out?—A. Yes, we have been buying them off and on for years past.

By Mr. Boys:

Q. I do not know whether I understand you correctly or not, but in answer to Mr. German I think you were led to say that if the purchases were made outside of you they were made irregularly; I think that word came from Mr. German.

Mr. GERMAN: No, it came from him.

Q. In what sense did you use that word?—A. Perhaps "irregular" is not the word, but "unusual"; I used it as a synonym for unusual; I think the word had already been used, and I had previously said that it would be all right if it were authorized.

Q. That is what I wanted to find out. If the purchase were not made by you but made by some other source, would it not be authorized?—A. Oh, yes, it is often done.

By Mr. Rhodes:

Q. And it would be perfectly proper?—A. Yes, it is often done.

By Mr. Carvell:

Q. Then we may understand that you do not make all the purchases of all goods?—A. Yes. In other words I meant that the Minister, or the Deputy Minister, or both of them, can do as they like. If the Minister wishes to buy everything he can, and it is the same way with the Deputy Minister, and they can authorize anybody else to make purchases.

Q. And they do authorize other people to make purchases?—A. Yes, it has been done.

Q. Was a man named J. McQuarrie authorized to do any purchasing?—A. I cannot tell you.

Q. Do you know the man?—A. Yes, I have met him, at least I have seen him.

By Mr. Rhodes:

Q. Those purchases that we have been discussing were made shortly after the outbreak of the war?—A. Yes, within a few days.

Q. Would there be a great pressure upon the purchasing branch of your Department at that time?—A. Yes, during the first two or three weeks the pressure was extreme; later on we could get tenders and we did get tenders but at first it was quite impossible. We had to do things the shortest way possible, and I think I explained the first time I was up here that that was probably the reason why Colonel Jones did as he did, that is to say, instead of passing the requisition over to me without comment

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he took the trouble to get hold of Mr. Shaver and discuss the whole thing with him in order to expedite things, get things on, save a lot of time and trouble. I am quite sure that was Colonel Jones' idea in going to the dealers in the first place.

Q. This particular purchase was made in a very few days after the outbreak of war?—A. War was declared the evening of the 4th. This requisition was brought on the 6th, and the order was given a day or two afterwards. It was given verbally almost immediately.

Q. Would you say, as responsible head of the purchasing department, you are not able to exercise the selection and care in the awarding of contracts you would in ordinary times?—A. Most decidedly not.

By Mr. Carvell:

Q. Did you try to exercise any care and discretion over this particular case?—A. Yes.

Q. What did you do?—A. I tried to get prices.

Q. On what, from whom?—A. From Mr. Shaver.

Q. And you did not get anything from him?—A. No.

Q. Did you buy from anybody else?—A. No.

Q. Was there anybody else that could supply?—A. At that time I understood Colonel Jones to say, as far as field dressings were concerned, there was absolutely no other source. As far as the other supplies were concerned he advised me to go to Bauer & Black as the best source to get delivery in the time.

By Mr. German:

Q. You have said that you thought you were dealing directly with Bauer & Black?—A. Yes.

Q. Through their local representative?—A. Yes.

Q. That being so, when you got the invoices why did you not insist on receiving Bauer & Black's invoices, and not the invoices from the Carleton Drug Co.?—A. Well, that is, I cannot tell you that.

Q. Why can't you tell? That is one of the things you should—

The CHAIRMAN: No invoices were received from the Carleton Drug Co.

Mr. GERMAN: They were made out on the Carleton Drug Co.'s invoice forms.

The WITNESS: No, on Powell's own invoices.

Mr. GERMAN: Where are the invoices. If that is so, I will admit my mistake. (Powell invoices produced.)

By Mr. German:

Q. Why did you not ask for the Bauer & Black invoices?—A. Perhaps I should, Mr. German, I cannot tell you now. The order was given to Mr. Powell, the order was given to Mr. Powell representing Bauer & Black.

Q. You said that you supposed you were dealing with Bauer & Black through their local agent?—A. Yes.

Q. Now, you would know, the experienced purchasing agent for the Department, you would know that Bauer & Black would send invoices of these goods to the purchaser, would you not?—A. Yes.

Q. Then, why didn't you insist on invoices from Bauer & Black if you thought you were dealing directly with them?—A. I cannot tell you now, Mr. German.

Q. No explanation of that?—A. No.

Q. Did you in any way endeavour to ascertain if these prices charged in the invoices sent you on the Powell paper were reasonably correct, that they would compare favorably with the prices for which you could buy these goods directly from Bauer & Black?—A. I took the—I think I made that clear before this, I had Mr. Garland's assurance that the prices were, they represented, well, they were the lowest they could give us.

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Q. You had Mr. Shaver's assurance that the prices for field dressings would be about 18 cents?—A. It was hardly an assurance.

Q. You said in your examination on p. 23: "Finally he said he thought it would be something about 18 cents."—A. That is hardly an assurance.

Q. (Reads) "Something about 18 cents, but he would not guarantee that, he said he could not say." When you saw an invoice on a heading of Mr. E. Powell for field dressings at 23 cents, did you not hesitate for a moment, didn't you say to yourself: This is very much higher than Mr. Shaver told me the price would be?—A. I most decidedly did hesitate. I sent it back to him.

Q. And he reduced it to 21 cents?—A. Yes.

Q. You sent it back because you understood from Mr. Garland—A. Oh, no, it was sent back before I had any talk with Mr. Garland at all.

Q. It was reduced to 21 cents.

By Mr. Carvell:

Q. That was reduced after you sent it back?—A. I did not send it back and say to him: Put in your invoice at 21 cents. This is my recollection of it, I am speaking now of seven or eight months ago—my recollection is I refused to certify the account at 23 cents, because it was too much. Mr. Powell sent it back at 21 cents. After that I had this talk with Mr. Garland. It was not that I specified any price, I did not specify any price. As a matter of fact, 21 cents seemed to me too high.

By Mr. German:

Q. Why did you not insist on the Bauer & Black invoices?—A. Well, I cannot tell you now, Mr. German. I am sorry I did not, but I did not.

By Mr. Nickle:

Q. At the time you gave the order and between the time the invoices came in, had you become aware of the fact that Powell was acting as agent for Bauer & Black?—A. Between the time the order was given and the time the invoices came in?—Well, the order was given to Mr. Powell in terms as the representative of Bauer & Black. That is, the face of the order reads that way, Mr. E. Powell, Representative of Bauer & Black.

Q. Then that might explain why you did not ask for these invoices?—A. I dare say that is it. I can hardly say now. I know I took it for granted, perhaps I should not have taken it for granted, that perhaps Mr. Powell had his own arrangement with Bauer & Black. As I took it, it was not my affair at all. It was said Mr. Powell represents us at Ottawa, it was a matter of indifference to me as long as the order was given to Powell, it was a future thing to get Powell's invoices. Knowing now what I do know, why perhaps I should have asked for Bauer & Black's invoices, but all I can say is that at that time it did not occur to me to ask for the invoices.

Q. As to the surgical adaptability of the dressings you relied on Colonel Jones?—A. Yes.

Q. And as to profit on Mr. Garland?—A. Yes.

By Mr. German:

Q. Mr. Powell says there is still due him \$2,600 from the Department, and he says there is about \$6,000 to his credit in the Union Bank?—A. Yes.

Q. Now, if he was dealing then as the Canadian representative of Bauer & Black that money certainly does not belong to him; it belongs to the Department, because you were dealing with him under misrepresentations and false pretenses, and it is your duty then to recover that money.

The CHAIRMAN: Is there any evidence that Powell misrepresented anything?

Mr. GERMAN: Right here, right on that invoice. If he is agent for Bauer & Black, he has no business to be making a commission of \$9,000. He should supply the goods according to the prices that his principals laid them down to him for.

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The CHAIRMAN: He did not understand he was an agent in that sense.

Mr. GERMAN: It is the only sense in which that matter can be looked at. I am calling that to the attention of the purchasing agent. He said that he was misled, that he supposed this was the Bauer and Black representative.

The CHAIRMAN: He was not misled by Powell.

Mr. GERMAN: He was misled on this document (the invoice is) "agent for Bauer and Black."

By Mr. Sharpe (Ontario):

Q. You understood at the time the negotiations were going on that the profit Mr. Powell would secure would be approximately five per cent?—A. There was nothing said about what Powell was going to get out of it until after the bills had been sent in.

Q. You know there had been an addition on the Bauer and Black prices?—A. Well, that was not a thing that occurred to me at all. I did not worry about that.

Q. You expected that? You were not deceived in reference to the addition to their prices?—A. I think I know what you mean. Mr. Shaver gave me an approximate price of 18 cents. My idea at that time was that the department was going to pay 18 cents or thereabouts for these dressings.

By Mr. Carvell:

Q. And out of that would give a commission to Powell?—A. Exactly, that was what I thought all the way through. And then when we paid 21 cents, I think that was the arrangement, because these dressings cost them more than they expected.

Q. And Bauer and Black would arrange with Powell as to his commission?—A. Yes.

Q. You supposed you were purchasing direct from Bauer and Black?—A. Yes.

Mr. KYTE: I want you to bring before this Committee all correspondence you have with R. V. Sinclair, Barrister; Bilsky and Co.; Thomas Birkett, and Alexander Taylor, with reference to the purchase of binoculars.

Hon. Mr. REID: Just there, the Chairman has a letter that Mr. Birkett would like to have read.

The Chairman read a letter from Mr. Thomas Birkett after which it was decided by the Committee that he be summoned to give evidence.

By Mr. Carvell:

Q. Did you buy any supplies from Weldon J. Graham?—A. Yes.

Q. Had you the knowledge that Weldon J. Graham was the agent for Bauer & Black in Ottawa?—A. No.

Q. You didn't know that?—A. No.

Q. Do you know it now?—A. No. Indeed, I do not know who is the agent for Bauer & Black in Ottawa.

Q. Were all supplies which you purchased from Weldon J. Graham purchased by tender?—A. I could not say. A number of them were. I could not say, Mr. Carvell. Some of them were, I fancy the most of them were, I do not know.

By Mr. German:

Q. You can produce those?—A. Oh, yes. All the papers about Mr. Graham.

By Mr. Blain:

Q. With respect to the invoices that were sent to you for Bauer & Black's goods that were purchased from Graham, did you ask for Bauer & Black's invoices, or did they appear on Graham's invoices, the same as Mr. Powell's?—A. Oh yes, we bought them from Graham, the order was not given to Mr. Graham as the representative of Bauer & Black.

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By Mr. Carvell:

Q. You said that the order was not given to Mr. Graham as representing Bauer & Black?—A. Yes.

Q. It was given to Graham personally?—A. Yes.

By Mr. German:

Q. As a matter of fact was there any order for medical supplies given to anybody except Mr. Powell in the capacity of agent for Bauer & Black?—A. No, we got no information from Mr. Shaver that he had any other representative than Mr. Powell.

Q. And the orders that were given to the druggists in that line of goods and without tender?—A. Well, generally speaking I think that was so, but a little later on when we had more time we got prices.

Mr. HANNA: I would suggest that you subpoena some local druggist to give the Committee information relating to the practice between the manufacturers and the public with regard to the sale of their goods, in order that we may know what the actual relations are between the agent and principal. Mr. German has an entirely wrong impression.

The CHAIRMAN: Any member can move to have any person subpoenaed for that purpose.

By Mr. Nickle:

Q. Is it the practice of agents for druggists' supplies, when making out their invoices to the Department to furnish the name of their principal?—A. I would rather not say offhand, I would prefer to wait until I have an opportunity of looking up some of our invoices.

Q. Will you look it up and let us know?—A. I will.

By Mr. McKenzie (Cape Breton):

Q. Might I enquire if the contract between the Department and Mr. Powell is in evidence? The actual contract, in writing?

The CHAIRMAN: I fancy it was in the shape of a requisition.

The WITNESS: There was a letter.

By Mr. Kyte:

Q. It is not in evidence yet?—A. All these papers are being copied for the Return to the House; I was asked to bring the papers up here the other day, but all these papers are being copied and the Return is pretty nearly ready. That is the reason I have not brought them here.

The CHAIRMAN: There is no reason why, when it is laid before the House that the copy cannot be brought here.

—Witness retired.

General Fiset called, sworn and examined.

By Mr. Rhodes:

Q. General Fiset, you are the Deputy Minister of Militia?—A. Yes.

Q. What do you say as to the general policy of your department in the matter of purchases?—A. Well, sir, the demand is usually made on me, as Deputy Minister, by the various branches concerned in the form of the Service Requisition for approval of the expenditure and these requisitions when approved go to Mr. Brown, my purchasing agent, who deals with all matters concerning contracts. With regard to certain requisitions I would take the trouble to consult with my Minister and get his ideas; but I confirm all requisitions whenever made for anything.

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Q. What has been the policy of the Government with respect to prices when purchasing anything?—A. When tenders are called for it is done by Mr. Brown, and there is usually a schedule prepared of all the tenders, usually with the lowest tender on the line, and the lowest tender, in every case, is initialled, at least, I will not say in every case, perhaps, but in the majority of cases it is.

Q. You say that the fixed policy of the Department is to accept the lowest tender?—A. Yes.

Q. In all cases?—A. Yes.

By Hon Mr. Reid:

Q. The quality and kind of the goods offered might interfere with the general practice?—A. Of course, that is what I say, in the bulk of cases the lowest is accepted; but you take an instance when the quality of goods offered by one tenderer is better than that offered at a lower price, and that fact is certified to by our own officers who have knowledge of all the details, and who recommend us to accept the better quality, we accept that.

Q. But it would be only for that reason you would depart from the general practice?—A. Yes.

Q. And only on the recommendation of your officers would you do so?—A. Certainly.

By Mr. Rhodes:

Q. A witness before the Committee yesterday gave evidence to the effect that Colonel Jones, Director of the Medical Branch of the Militia Department, told him that the Department did not wish to purchase direct from the manufacturer. What do you say with respect to that statement, as far as it affects the policy of the Department, in the first place?—A. I can hardly believe it, because the policy of the Department is to do that by instruction of my Minister, and my own instructions, which are that we should buy direct from the manufacturers.

Q. Did you ever give authority to Colonel Jones to make such statement?—A. Never, it never entered my mind.

Q. Now, who is the responsible official of the Department to make purchases?—A. The purchasing agent of the Militia Department places the orders, but the authority for the expenditure is given by me. When Mr. Brown has called for tenders it is usually on a requisition approved by myself, and, as I have already stated, a schedule of the tenders received is prepared, the lowest tender is on the line, and the acceptance of it is approved by either the Minister or myself. The expenditure itself is authorized first by myself or by the Minister, if the amount is very large I get the approval of the Minister first of all, but if the amount is not large I approve it myself.

Q. You say the authority must come either from you or the Minister?—A. Certainly, for the expenditure.

Q. And the purchase must be approved by the purchasing agent or the responsible officer?—A. In calling for tenders the details and every information are prepared by the purchasing agent of the Militia Department, but in certain cases, and in certain branches of the service, take for instance the Engineer's Branch, they sometimes do their own purchasing.

Q. Upon the direction or order of the Minister?—A. Certainly, and in other cases also certain branches of the Ordnance Department outside of Ottawa make purchases.

Q. But those purchases would have to be approved by the Director of Contracts?—A. In some cases he has not the handling of them.

Q. Or they would have to be approved by yourself or the Minister?—A. Yes, by myself, or in some cases by the Minister.

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Q. I wish to ask if any purchases can be made in the Department of Militia outside of the Minister, yourself, or the Director of Contracts?—A. Yes, I think that some purchases can be made outside, but it will have to be referred for final approval to either the Minister or myself.

Q. It would not be a legal purchase unless made with the authority of yourself, the Minister or the Director of Contracts?—A. Certainly not.

By Hon. Mr. Reid:

Q. In this case of Mr. Powell, that was authorized by the Director of Contracts, or did it come before you?—A. Yes, the only thing I saw in the case of Mr. Powell, was the requisition itself for the expenditure.

Q. You had nothing to do with the purchase nor had the Minister either?—A. No.

By Mr. German:

Q. You saw the requisition?—A. When it was first prepared, showing the amount to be expended.

Q. And the requisition was for the quality and the quantity of the goods?—A. That is all, sir.

Q. Was there any price on the requisition?—A. No, sir, there was an estimate of the expenditure involved, that is all.

By Hon. Mr. Reid:

Q. There was no detail of prices?—A. No.

By Mr. Bennett (Simcoe):

Q. You said there might be cases where the lowest price would not be accepted. Let me ask you this: In that case are samples submitted?—A. In many of them, in nearly all cases, where the lowest price would not be accepted it would be because it would not do to accept the lowest price; supposing there are ten samples submitted with a very wide range of difference between them; it is a difficult question to settle, we would have to be guided by our expert officers, and in many cases we would not accept the goods offered at the lowest price.

Q. You would be guided by your officers?—A. Yes, by the report of the experts dealing with that matter.

Q. And that would be decided on the basis of quality?—A. Yes.

By Mr. Rhodes:

Q. Have you anything to do with this purchase other than to approve it in the ordinary course?—A. No, sir.

P. Did you have contact with Powell in connection with this purchase?—A. I do not know Powell.

Q. Did you rely entirely upon the responsible head of the medical department, Colonel Jones?—A. On both Colonel Jones and Mr. Brown. No requisition is approved in my office unless it carries the signature first of the officer requisitioning and the initials of the Director of Contracts to prove that he has seen it. I cannot do anything else; there is no possible way for me to do anything else.

Q. You approved it on the strength of the recommendation of Colonel Jones and Mr. Brown, the purchasing agent?—A. Quite right.

By Hon. Mr. Reid:

Q. And you assumed the responsibility, you did not go to the Minister?—A. It never went to the Minister.

Q. In this case you were aware that war broke out about August 4th, and it was just a few days after that this order was given. Was there a rush in the Department

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at the time?—A. There was an extreme rush, sir. And this requisition was prepared by Colonel Jones who had charge of the medical supplies that were required for the troops mobilizing at Valcartier, and were wanted in a rush. Colonel Jones took great trouble to interview the local agents, prepared the requisition in order to help Mr. Brown get these things as quickly as possibly.

By Mr. Carvell:

Q. As Deputy Minister of Militia, have you taken any steps or have you notified the Justice Department to take steps, to recover this money?—A. No, but I have given instructions to Mr. Brown that there is a balance due to Powell, and to hold on to that amount and not to pay it. And I think that Mr. Brown could perhaps explain himself that if you keep that balance it will reduce the profit from 28 per cent to only 20 per cent. I have not taken any further steps to recover the amount.

By Hon. Mr. Reid:

Q. You have stopped the payment at the present time?—A. Yes.

Witness discharged.

Mr. M. C. ELLIS, recalled.

By the Chairman:

Q. You are already sworn, Mr. Ellis?—A. Yes, sir. I want to make an explanation myself.

The CHAIRMAN: All right, Mr. Ellis, go on.

The WITNESS: When I was examined yesterday, I stated that our company had saved the Government thousands of dollars in the purchase of binoculars. In making a statement like that, I thought it would be better to put it in a different form, and therefore last night I spent some time figuring out exactly what we did save, and I have here all the particulars of the saving as far as I could get them, and it amounts to \$12,887.20.

By Hon. Mr. Reid:

Q. The total sales?—A. No, the total savings that our Company effected for the Government by the work which we had done.

By the Chairman:

Q. On binoculars?—A. On the purchase of binoculars.

Q. Will you read the statement?—A. Yes, sir, I will. Now, in the first place, the Ottawa firm we referred to yesterday, the amount of glasses that we bought in Ottawa was, you will find by referring to your yesterday's records, 1,197. Over 700 of these we bought from Topley & Company; but Topley and Company is not Topley & Company, it is their principals, the Bausch & Lomb Company; and it was because we had by successful manoeuvring broken the price of the Bausch & Lomb Company glasses in Canada, and the Bausch & Lomb Company could not protect their agents in Canada, as we had contracted with outside American agents. The price given Topley & Company for the month of October—the month of October was a very important month to us, because we were under pressure to fulfil our contracts, which expired on October 31st—learning that they had got an option, and we saw Topley & Company, which was after we had laid down the glasses, he had charged the Department prior to this for 8 x 25 at \$51 and 6 x 30 at \$65.

Q. That is Topley?—A. Yes. That we had laid the same glasses down for \$33.54 for the 8 x 25, and for the 6 x 30 which he had charged \$65, and we had laid down for \$41. He did not come right down to those figures, but he came fairly close. In that way, we accomplished a good stroke of business. At the time Topley & Company got an

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option from Bausch & Lomb, we ourselves also got an option, but that option was not to be filled until January, and I say that had the October instead of the January option been given us we would have saved the Government \$25,000. In consequence of the Topley purchases we saved the Government \$6,332 on the 500 glasses purchased in October. On the 62 glasses which Topley & Company had charged us before at these high prices, we, on account of our getting them down to these new prices succeeded in getting them to make a new invoice at the new prices, and there saved \$946. In 20 of the glasses which he put in in October we saved \$84.20.

Q. That is Topley?—A. Yes. It is claimed that they were of special quality. We said no, we will receive nothing except at the prices that we have now fixed, and we forced a rebate of \$84.20. Bringing down Topley enabled us to get from the Consolidated Optical Company, that were also agents for Bausch & Lomb—

Q. Where are they?—A. They are in Toronto. Bausch & Lomb had fixed for their agents prices at that time at which they would sell, but we had contracted in the United States these prices, and therefore the Bausch & Lomb people could not hold prices in Canada. And their goods we had accepted from the Consolidated Optical Company we are able to get rebate of \$11 a piece or \$685.

By Hon. Mr. Reid:

Q. Which went to the Government?—A. Yes.

On glasses purchased from the Niagara Optical Company, Buffalo, we saved them \$18 each on 100 glasses 8 x 25, or \$1,800, and on 40 glasses 6 x 30 we saved them \$19 each, a total of \$760. On glasses purchased from the Almer Company, Chicago, January 5th, 78 glasses at \$10, we saved \$780. On glasses we purchased from Hardy & Company, Chicago; Sussfeld Loesch, New York, Albert Berger, New York, and Swinheart, Cincinnati, we saved over \$1,000. On glasses obtained from all over Canada, about \$500.

By the Chairman:

Q. The miscellaneous lot?—A. Yes, at a very low estimate, we saved \$500. The total amount is \$12,887.20. I want to also explain that all the glasses that we picked up were all in black cases, and we had to take these cases and refit them in a kharki or tan color, which was a big operation to be carried through for the greater bulk of the glasses. I mentioned this to show what we had to do for the commission of 10 per cent. We had also to advance large sums of cash. We advanced over \$18,000 on purchases and duties; and we have out on goods purchased some \$5,000 now for which we have advanced cash.

By Mr. Carvell:

Q. You will get that back?—A. We will get that back from the Government. The main thing in this whole operation was the great urgency. Binocular glasses today are the eyes of the army; they are of more importance to the troops than almost anything else. The German army are the best equipped in the world with field glasses. We had tremendous difficulty to obtain the glasses; we had to scour the whole of Canada and the United States, and we succeeded in doing what the Government wanted us to do, to get these glasses for the first contingent before they left.

By Hon. Mr. Hughes:

Q. What are these glasses sold at today?—A. Today at \$35. I was going to bring that point out. These people—

Q. What do you mean by \$35?—A. I say the glasses today which we bought at \$41 are selling at \$65.

By Mr. Fripp:

Q. You said \$35?—A. I made a mistake, I should have said \$65. I want to say that in all cases we turned in the exact invoices as received from those we purchased from, and in no single instance did we take a single advantage of a five cent piece.

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By Mr. Kyte:

Q. Did you get an offer from Bilsky to sell you binoculars?—A. We did.

Q. Did you buy any?—A. No, sir.

By Hon. Mr. Reid:

Q. Then if you had not acted for the Government the Ottawa people would have charged these higher prices?—A. Unquestionably. And more than that, I do not think the Government would have got the glasses at all, for the first contingent. It was a tremendous work of great responsibility; and though the word patriotism has been laughed at here, I felt it my patriotic duty to have these glasses ready for the first contingent.

By Mr. Kyte:

Q. Why did you not buy them from Bilsky?—A. We did not buy them from those people who had not these glasses on hand, who were speculators, and we were not helping speculators. We offered to buy any in stock at the very first; the same as other jewellers.

By Mr. Carvell:

Q. Did your patriotism interfere with your receiving the 10 per cent?

The CHAIRMAN:—That is hardly a fair question.

The WITNESS: I think that is a fair question, I would like to answer that. The firm of Ellis & Co. do a very large business, and I want to tell you that no business of our proportions could afford to do business at 10 per cent. When we were called upon by the Minister we felt it our duty to serve him whether we got any commission or not.

Mr. BLAIN: Your savings amount to more than the total amount of your commission.

Hon. Mr. HUGHES: I am only sorry I did not pay him twenty per cent.

By Mr. Kyte:

Q. Bilsky & Co. offered to sell you binoculars at the same price you were buying them for elsewhere?—A. No. They intimated that they could get us some glasses; but the moment anybody intimated that they could get us some, there was speculation.

Q. Why speculation if they could sell them to you at the same price as you were buying them from elsewhere? Would you trade with them at all for glasses?—A. We understood the drift.

Q. You would not trade with them at all?—A. Undoubtedly. If they had showed us a sample of the glasses that they were prepared to supply, then we would have dealt with them.

Q. You said you would not deal with them because they were importers?—A. We said we would not deal with them because they had not the glasses on hand.

Q. How far did you go with your negotiations?—A. Not any distance. I have not the correspondence here, I have not it in this room, but it will show you we were looking pretty closely after the interests of the Government.

Q. I understand that well.—A. Allow me to explain what I mean. We had applications from many people anxious to get orders?

Q. In Canada?—A. Yes—which they did not have and which we recognized were anxious to get in on a speculation. We were guarding the market and keeping speculators away.

Q. You wanted to be the only speculators yourselves?—A. Well, we were doing it for the benefit of the Government.

By Hon. Mr. Hughes:

Q. What glasses had Bilsky to sell?—A. I do not think he had any, sir.

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By Mr. Kyte:

Q. You did not know what he could offer you?—A. He did not say what he could offer.

Q. Because you were not negotiating with him?—A. I have this letter; it is a very polite letter.

By Mr. Bennett (Simcoe):

Q. Every hundred dollars that you saved for the Department and for the country was at the expense of ten dollars out of the pocket of P. W. Ellis & Co. You lost that much commission?—A. I should say we did. I see your point: Whenever we got lower prices, we got less commission. Undoubtedly.

By Hon. Mr. Hughes:

Q. The question of your commission has been brought up. Are you aware that just for looking at the articles, not inspecting them, but just looking at them, no handling of them being involved, the British Government are charged 6 per cent?—A. I have heard so.

Q. Just for looking at them?—A. Yes.

By Mr. Carvell:

Q. Now, Mr. Ellis—

THE WITNESS: Will you pardon me a moment. While I was sitting there I heard that you were enquiring about badges, and I would like you just to question me on that subject while I am here.

MR. CARVELL: That is just what I was going to do.

By Mr. Carvell:

Q. Did you furnish some badges to the Department?—A. We did, sir.

Q. What was the inception of that transaction?—A. We had supplied badges for the Liberal Government when they were sending the South African contingent, and it immediately occurred to me that similar badges would be required for this Contingent. I had a sketch made of the badges which went with the South African troops and sent it to Ottawa to see whether they were going to supply the troops that were going to England, and informed the Department that I could supply these badges, for the hat, cap and collar.

Q. What was the price quoted?—A. I thought you would ask me that question and I have just looked it up, and I have it here, five cents for collar badges.

Q. For one of those badges?—A. Yes.

Q. Two of them would make up a complete set?—A. Yes.

By the Chairman:

Q. Would that be 2½ cents each?—A. No, sir, 5 cents each.

By Mr. Carvell:

Q. That would be 10 cents each pair, because they go in pairs?—A. Yes, and for the cap badges 8 cents.

Q. Now what about the shoulder badge, was there not a shoulder badge?—A. Yes, that came later, the contract for the shoulder badge was 6½ cents.

Q. That would be for each, or per pair?—A. I think for each.

Q. 6½ cents each?—A. Yes.

By the Chairman:

Q. Were these prices too high?—A. Those prices we considered were quite fair and low.

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By Mr. Carvell:

Q. I want to ask you if you sent these on a telegram from the Minister. Would you just explain the whole thing?—A. We did not write to the Department, we sent our agent down here, he showed the badges that we had supplied to the former government for the South African contingent, and they seemed to be just what the Government wanted; but it was shown that the crown which was in the South African badge was not the same kind of crown as was required in this badge, which made it necessary to cut all new dies. It was an emergency and a rush order. At that time we were very busy—and we were asked, our prices were accepted as satisfactory—and we were asked to supply the badges in an almost impossible time, by the 18th of September. We rushed our factory, we did the work and we filled the order at the specified time.

Q. At the price which you quoted?—A. Yes. Now material is a very important thing in getting out a contract, especially under a "rush" condition. On that occasion we found that we could not get it in the States. We found that the brass company which was operating in Canada could supply us with a metal which was suitable, and we were able to get that metal from them. They had not been supplying us long when our supply was cut off by the factory closing down.

By Hon. Mr. Hughes:

Q. That is the brass factory?—A. Yes. That left us in a difficulty so great that we were compelled to make our own metal. We had to turn out our own metal, to roll it, we made the effort, we succeeded in doing it, and delivered the goods at the time specified.

By Mr. Carvell:

Q. And you got a second order??—A. Yes.

Q. You send in a tender for the second order?—A. Yes.

Q. How many were there in the second order?—A. I haven't got that information here.

Q. It was around 23,000, I think?—A. It might be, I think it was less.

Q. You were asked for a tender for that order, did you tender?—A. Yes.

Q. Have you the figures?—A. No sir.

Q. Did you get the contract?—A. No, sir, they got a lower offer, and the contract went to the lowest price.

Q. Who got it?—A. I could not tell you who got it.

Q. And you were asked to tender again?—A. Yes.

Q. And did you?—A. Yes.

Q. Did you get a second contract?—A. We got a second contract, a small contract that time.

Q. At what price?—A. I haven't the price here, but it was much lower.

Q. Have you a copy of it?—A. I haven't the copy of it, you can get it at the Department, it is on file.

Q. You had a second contract at a price much lower than the first, and that second contract was the result of tenders?—A. It was tendered for. We have been doing work for the Militia Department which we got altogether by tender for a number of years, and we have lost the bulk of the military business from time to time because we were not low enough; they always insisted on tenders, and in some cases our tenders were not low enough and we did not get the business, we never received any favours.

By Hon. Mr. Hughes:

Q. Were there any conditions that the goods were to be made in Canada, and that the employees should be Canadians?—A. The conditions of the contract are that the goods are to be made in Canada and the employees were to be in Canada also.

Q. And you are aware that some of the concerns that tendered did not get them all made in Canada?—A. I have not been personally interested about that.

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By Hon. Mr. Reid:

Q. You stated a moment ago that the tender submitted with the last lot was lower than for the first?—A. Yes.

Q. When you submitted that tender the second time were you able to purchase the parts that go into these badges at a lower price?—A. I would say rather that the first tender had enabled us to make a great deal of special machinery and equipment, and therefore we could make them cheaper.

Q. Therefore in the price for the first order you included the cost of this machinery because you did not understand that you would get any more orders?—A. We were compelled to.

Q. And that would account for the price of the second order being lower than the first?—A. Yes.

By Mr. Carvell:

Q. Having had time to think it over can you give us the price for that second order now?—A. I could not.

Q. Take the collar badges that first tender was 10 cents a pair?—A. Yes.

Q. Is it not a fact that the second was only 6½?—A. Well, there are two collar badges, at 5 cents each, 10 cents a pair.

Q. And was not the next contract a little over 6 cents a pair?—A. I could not tell you, sir.

Q. Your memory as to that is poor, is it—surely your memory cannot be as poor as that?—A. My memory will not enable me to give you the figures.

Q. It will not?—A. No sir, it will not; I will enquire at the Department and let you have it.

Q. Now you wish to state here on oath that you cannot remember the figures of that contract?—A. I do.

By Mr. Blain:

Q. You said you supplied some badges some years ago to the Government for South Africa?—A. Yes.

Q. Do you remember the price?—A. No, I cannot tell you the price.

Q. Was it higher than this price?—A. It is likely it was, but I want to see because I do not remember.

Q. The information as to the price can be furnished, I suppose?—A. Yes.

By Mr. McKenzie (Cape Breton):

Q. You made a statement, that was most startling to me, that you saved the Government \$23,000?—A. \$12,000.

Q. You say you have saved them from imposition to that extent, that is what you say?—A. Yes.

Q. What particular training have you that you think cannot be obtained in the Department to look after the purchase of goods?—A. I do not understand your question.

Q. I take it for granted that we have an infant industry in the Militia Department that can be imposed on to the extent of \$12,000, which you prevented. Now what genius or training have you that could not be found in the Department?—A. I do not claim to have any genius, I claim to be a hard working business man.

Q. Which quality is not to be found in the Militia Department?—A. I do not claim that, sir.

Q. We have supposed that in this country we have a set of trained men, presided over by General Hughes, who are well qualified to look after the interests of the country?—A. Yes.

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Q. And you say that were it not for your interference they could have been imposed upon, in the simple matter of buying binoculars, to the extent of \$12,000?—A. I will explain that. You will understand that binoculars were entirely shut off from importation from Germany, when the war broke out, that goes without saying. And the Germans were the largest exporters of binoculars. France was also shut off, Lemaire's, which is the biggest factory there was in the war zone and was partially destroyed. The only other big factory in Europe was that of the Ross Company in England, and they were not allowed to ship because glasses are contraband of war. The only place that did manufacture in large quantities—

By Hon. Mr. Hughes:

Q. When you say they were contraband of war you mean that the British Government wanted all the output?—A. We presented a letter from the Ross Company yesterday stating that they could not ship these glasses. That left the only other large manufacturing firm, Bausch & Lomb, of Rochester, which firm had two agencies in Canada. Now the emergency was that all the glasses that could be found were glasses that had been imported before the war, and were lying all over in different places in the United States and Canada. I do not think that anybody would expect the Militia Department to start out and to run all over Canada without any organization in order to hunt up those glasses. We had the organization and we put it at the disposal of the Government.

By Mr. Carvell:

Q. That only goes to show that if the Ellis Company were able to purchase them, if there had been a business man at the head of the Department, they could have purchased them at the same price as the Ellis Company obtained them and at a much less cost than \$12,000—

The CHAIRMAN: That was all thoroughly explained this morning.

Mr. CARVELL: I have not heard yet wherein this gentleman made the saving because we know that Mr. Bilsky was willing to sell glasses to the Department and did not have the opportunity.

A. That is not the case.

Mr. CARVELL: We will get that from Mr. Bilsky himself.

By Mr. Carvell:

Q. Have you any explanation other than what you have already given, because I have not heard an explanation of how \$12,000 was saved?—A. You can have it right now.

Q. I have not yet heard any explanation which satisfies me.—A. Perhaps I can give it more explicitly so that you will understand it better.

Q. That might be possible?—A. I thought I had made it plain how we had broken the price and made the saving.

Q. You said that you had broken the price?

By Hon. Mr. Hughes:

Q. What are these glasses being sold at to-day in Canada?—A. At 50 per cent higher.

Q. Can you break that price to-day?—A. No.

Q. Why not?—A. Because there are no glasses anywhere in the country; the Bausch & Lomb people have the monopoly.

By Mr. Carvell:

Q. How did you break the price, you haven't told us that yet?—A. Our first instructions were to go to all the leading jewellers in Canada. We are in the wholesale jewellery business; and we asked them as a matter of patriotic duty—it was laughed

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at here—that they should put in all they had at the lowest possible price. We asked each of these men in the principal cities to go all over their own city and get all they could. All these men were of the highest possible standing in Canada; and they did their work well, and we got very satisfactory returns. We realized that the proper and only thing to do for men to be given a commission of this magnitude was to get at headquarters. We sent our agent to the Bausch & Lomb people, and we have dealt with Bausch & Lomb for years; we know them. They had not a glass they could sell. And further they said that if they had glasses they could not sell them because they were contraband; and that, further, the American Government had given them large orders and if they did not fill their orders they were under a penalty. Well, we did not succeed there. We tried two or three other sources to see if we could pull some glasses from them. We tried Topley; he could not furnish any; we tried the Consolidated Optical Company; they could not furnish any. I want to get this position correctly. We sent a man to Buffalo. We heard the Niagara Optical Company were considerable dealers with Bausch & Lomb, and had considerable influence with them; and our man was able to get the head of the concern; and we succeeded when Bausch & Lomb were saying they could not send any.

Q. How many?—A. He got 140. That 140 broke the price entirely in Canada, it reduced—I will give you the exact figures—it reduced their glasses from \$51 to \$33.54.

Hon. Mr. REID: About \$17.46 of a reduction.

By Mr. Carvell:

Q. Reduced whose glasses?—A. The Bausch & Lomb glasses. Remember that they were the only manufacturers in existence supplying glasses. Now—

Q. Just a moment. Let us clear up one little thing. When people were quoting you glasses at \$51, that was duty paid?—A. Yes.

Q. And you bought them without any duty?—A. These prices are laid down in Canada, duty paid.

Q. The \$33.54?—A. Yes.

Q. Then you broke the price by buying these 140 glasses from Bausch & Lomb?—A. That is the way; we broke the market in Canada.

Q. Suppose the Department had an efficient purchasing agent, would it not have been possible for them to do the same?—A. It might and it might not.

By Hon. Mr. Hughes.

Q. What would Topley sell at?—A. They turned in August 27th, glasses 8 x 25 for \$51; for 6 x 30, \$65.

By Mr. Kyte:

Q. Retail price?—A. The very glasses we laid down at \$33.54 and \$41.

Q. Any person going to Topley to buy a glass would get it for \$51.

Hon. Mr. HUGHES: No.

Mr. KYTE: The General is not answering the question.

By Mr. Kyte:

Q. What is the price that Topleys got at that time?—A. I have just given it: 8 x 25, \$51; 6 x 30, \$65.

Q. Any person buying one, two or three glasses could get them at that price?—A. I am not aware of that.

Q. You will not dispute it?—A. I will not dispute it. I am not Topley's guardian.

Q. You are pretending to speak for him?—A. I am not pretending.

Q. Would you swear they would not sell one single glass at that time at that price?—A. How can I swear what I do not know? I can say that Topley claimed it to be the wholesale price.

Mr. M. C. ELLIS.

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Q. If you or any person else desired to buy one from Topley, do you say they could not get it for \$51?—A. I do not know anything about Topley. I am not acquainted with those facts.

By Mr. Lalor:

Q. You are aware the British Government bought a large quantity of these glasses in the United States?—A. Yes.

Q. What price did they pay?—A. They paid in Rochester, that is not in Canada—we would have to add 25 per cent duty—they paid \$41 for what we had laid down for \$33.54. Add the duty and the price would be \$51.25 and \$54.62 against our price of \$33.54 and \$41.

Q. Do you know at what time of the year the British Government purchased?—A. In October.

Q. The same month you were buying at a lower figure?—A. That was making it very difficult for us.

By Mr. German:

Q. You have said your agent first went to Topley's and failed to get any glasses from Topley. That is what I understood?—A. I do not think I made that statement.

Q. Your agent went to Topley before you went to the Rochester firm, did he not?—A. He stated to you yesterday that when he got the contract he called on two or three agents here to see if they had them, and the result of his efforts was 60 glasses altogether.

Q. You went to Topley and failed to get glasses?—A. Yes, sir.

Q. And Topley's are the agents for the Rochester concern?—A. Yes, sir.

Q. Then you went to the Rochester concern and you failed to get glasses?—A. Yes, sir.

Q. Then your agent went to Buffalo, and by some ingenious operation on his part with the manager of the Buffalo concern, the manager of the Buffalo concern went to Rochester to Bausch & Lomb and through him they were induced to sell you 140 glasses?—A. I stated the fact. They did sell them.

Q. Then you afterwards went back to Topley?—A. As soon as we learned he got this option. We were in communication with practically every optical company of Canada.

Q. You went back to Topley?—A. We were going back to them all.

Q. You went back to Topley?—A. We went back to them all.

Q. And you purchased from him some 770?—A. Some 700 glasses, yes.

Q. Did he have the glasses in stock?—A. No, but he had from his principals, the Bausch & Lomb people, a supply of about a thousand glasses. They were going to undertake to deliver him glasses in the month of October, at the time we found it was impossible to get them they had contracted to deliver to him this quantity.

By Mr. Rogers:

Q. You have already said they had an option?—A. Yes.

By Mr. German:

Q. How much were they supplying him the glasses for?—A. I did not ask him.

Q. Then the Government could have gone to Topley, or the purchasing agent of the Department, Mr. Brown, could have gone to Topley and purchased these glasses from him just as well as P. W. Ellis & Co.?—A. I am sure he could not.

Q. Why not?—A. Because we had broken Topley's price and the others.

Q. That is your view of the thing?—A. It is the real facts of the situation.

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By Mr. Blain:

Q. Are these glasses manufactured in Canada?—A. No.

Q. Or any parts of them?—A. No.

By Mr. Sharpe (Ontario):

Q. The reason you refused to buy from Bilsky was that it would create an artificial demand?—A. He did not have the glasses.

Q. It would have created an artificial demand against the operations of the Government?—A. It would have.

By Mr. German:

Q. Topley was their agent?—A. He was agent for the manufacturer, he was their agent.

By Mr. Lalor:

Q. Mr. German asked if he could not buy the glasses at the price you bought them?—A. He could not.

Q. As a matter of fact, he did sell the Government a certain number at a certain price, and you afterwards got them to reduce that price?—A. That is the fact.

Q. The price the Government purchased them first would be the price they would have paid for the other lots?—A. I think so.

By Hon. Mr. Hughes:

Q. You have stated that the British Government is paying a certain price for these glasses, and are buying them in much larger quantities than we are?—A. Yes, an advance of about 50 per cent.

HON. MR. HUGHES: I would like this to go on the record: That the British Government to-day, and right straight through since October, are paying a much higher price for larger quantities than they were even asking the Canadian Government to do. Do you know the price paid in Great Britain?

THE WITNESS: No. Since our contract was filled, we are out of the game.

By Hon. Mr. Hughes:

Q. At the time?—A. I got a letter from Mr. Topley, the agent here.

By Hon. Mr. Reid:

Q. Have you got it?—A. I have it here.

Q. Read the letter.—A. This is a letter I received, dated December 24, 1914.

THE TOPLEY COMPANY,

132 SPARKS STREET,

OTTAWA, December 24, 1914.

P. W. ELLIS & Co.,
Toronto.

Gentlemen,—Our principals, the Bausch & Lomb Optical Co., have shipped us 75 glasses 6 x 30 in tan cases. We can supply you these glasses at once at \$65 per pair. This is the very best price it is possible for us to make you at the present time.

Will you please telegraph us whether we shall supply these glasses.

Yours truly,

THE TOPLEY CO.

Mr. M. C. ELLIS.

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These are the same glasses that we had bought from them at \$46.46, and at the time that the Topley Co. offered these glasses in December for \$65 we were buying these same glasses in Chicago where we had found an agent who charged \$12 lower than Topley had quoted at that time. Mr. Topley could not sell us any at \$65, we considered them too high. But I understand they cannot be got for less than that now.

Witness discharged.

Mr. W. O. THOMAS called, sworn and examined.

By Mr. German:

Q. What is your position, Mr. Thomas?—A. I am a member of the Transport Committee, and I am especially looking after the details of the motor trucks, inspecting the motor trucks and all of the motor apparatus.

Q. You are an officer in the Canadian Militia?—A. I am.

Q. What rank?—A. Honorary Major.

Q. Yes. You are Mr. O. W. Thomas?—A. W. O. Thomas.

Q. Since when were you appointed honorary major?—A. I cannot give you the exact date, the record will show. It is in December, I think.

Q. December of last year, December 1914?—A. Yes.

Q. And you were appointed on a committee of the Militia Department to look after the purchase of commodities for the Department?—A. Only the motor apparatus. I think the Committee is empowered in a strictly advisory capacity to report on all of the bids received for all land transport.

Q. And who else are on the committee besides yourself?—A. Senator George Taylor, chairman; Hon. W. K. McNaught and J. H. McQuarrie. Besides that, Mr. Eaton of Toronto. Mr. Russell has resigned. He was on the Committee.

Q. And when did he resign?—A. About two months ago.

Q. Why, do you know?—A. Because he wrote a letter to General Hughes saying that he wished to resign in order to leave his company free to bid.

Q. When was this Committee formed?—A. The first report of the Committee, made about a week after the time it was formed, was on November 25th, 1914.

Q. So that about a week before that he had been appointed?—A. Yes, about November 20th.

Q. What has been your occupation, Major, prior to being appointed on this Committee?—A. Consulting Engineer.

Q. General Hughes suggests that you are also an expert adviser?—A. To the Privy Council, the Militia Department.

Q. How long have you been the expert adviser?—A. I think it was after this date, it was about the middle of December I was appointed.

Q. When did you first meet General Hughes?—A. The day he returned from England, I saw him in New York.

Q. That was last fall?—A. November, the first of November.

Q. That was the first time you had met General Hughes?—A. Personally, yes.

Q. You did not know him to speak to prior to that?—A. No.

Q. Nor did he know you prior to that?—A. Not to speak to.

Q. Who introduced you?—A. I am not sure who introduced me to him—I think that it was—I do not know, I was introduced to him in a crowd as big as would fill this room.

Q. I do not care if it was a crowd four times as big as this room would contain: who introduced you?—A. I do not know personally which man of ten introduced me to him.

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Q. Who were the ten that were there?—A. Colonel Morgan—they were men that I did not know well at that time.

Q. Was Mr. Russell there?—A. No.

Q. Mr. Russell did not introduce you?—A. No.

Q. Who did?—A. I think it was Colonel Morgan, I am not sure.

Q. Who is Colonel Morgan?—A. He is in the British Army.

Q. You think it was Colonel Morgan of the British army introduced you?—A. Yes, I am not sure.

Q. And your Committee met; have you the records of your various meetings?—

A. The Secretary has, I have the copies of the report.

Q. You have them in front of you?—A. Yes.

Q. Will you leave them with the Committee for our inspection between the time that this meeting adjourns and the time the Committee meets again?—A. If General Hughes sanctions it I will.

Hon. Mr. HUGHES: There is no objection.

A. I think there are some fifty copies existing, for my part I would gladly leave them.

Mr. GERMAN: Please leave them here with the clerk of the Committee.

The CHAIRMAN: It is understood that the witness will leave copies of the reports with the Clerk.

By Mr. German:

Q. When did you first begin the purchase of motor trucks?—A. For this Government?

Q. Yes?—A. The first day of the war I started out on my trip to examine all the motor truck plants, and all the plants that make parts for the motor trucks; I examined 84 plants, and sent in a report to the War Office, the British War Office, on the 84 plants in the United States.

By Hon. Mr. Hughes:

Q. When you and I met in New York, when we had the distinguished honour of being introduced to each other, what was the one statement you made to me with reference to the prices that had been paid for trucks all over the world?—A. I offered to give a copy of the report I had made to the War Office, and you asked me if I would extend to the Canadian Government any service I had offered to the British War Office on the same basis and I said, yes.

Q. Do you remember telling me anything about the prices the various governments had been paying for trucks?—A. Yes, I told you that you had, as a Government, paid too much for some trucks you had bought, and I offered to show you the prices that should be paid.

Q. Had any other Government paid too high also?—A. Yes, the French Government.

Q. And the British Government?—A. Yes, and the British Government.

Q. And you stated you thought those prices were 10 per cent higher than they should be?—A. Yes, I thought that the Governments had the right, buying in large quantities, to buy wholesale at the same prices as the manufacturers sold to the dealers.

Q. Do you remember my asking you, "Can you arrange to give Canada the benefit of your services"?—A. Yes.

Q. I took your advice, and you are here?—A. Yes, I was in Detroit at the time, and I received a wire from General Hughes to come here and I came.

Q. And you have delivered the trucks at what price?—A. At 25 per cent off the list price, and the British Government is paying 10 per cent off.

Q. How much do you say we saved on the Canadian order?—A. About \$180,000. I will gladly give you a copy of my letter to General Hughes in reference to the matter.

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Q. And the French Government on one bill saved how much?—A. The matter that General Hughes refers to is the fact that when the French Government sent a Commission over here to buy from the Bethlehem Steel Company I wired to the French Government with reference to the price that the Bethlehem Steel Company were asking, and told them they could buy at the same price as the wholesalers, and at the same price I have bought at. Their commissioner went back to New York and bought at those prices, which were from 20 to 25 per cent off the list prices, at exactly the same prices as the agents were buying.

Q. Can the Governments any more succeed in getting these prices?—A. From some companies, but not from all.

Q. I understand that Canada got 25 per cent off?—A. Canada is the only Government that has bought direct at 25 per cent off, that is outside the French Government, who have bought some at 25 per cent off.

By Hon. Mr. Reid:

Q. These trucks were all purchased direct from the manufacturers?—A. Absolutely.

By Mr. Carvell:

Q. You are referring to the present purchases, it does not apply to the First Contingent?—A. No, I had nothing whatever to do with it.

By Hon. Mr. Hughes:

Q. Has the British Government any representative in New York?—A. Sir Arthur Herbert represents them there.

Q. And you have been officially employed as British Government agent in days gone by?—A. I have done considerable reporting; I do not know that I can give details of it.

By Mr. German:

Q. You had nothing to do with the trucks for the First Contingent at all?—A. Nothing whatever.

By Hon. Mr. Hughes:

Q. What nationality are you?—A. English.

Q. And you are a consulting engineer?—A. With offices in England and New York.

Q. What is your firm name?—A. Thomas and Thomas.

Q. What large firms have you done business for?—A. Laurin & Klement, Moline, Mercedes, Cadillac, I do not know I can give the names of all the firms with whom I have had confidential relations.

By Hon. Mr. Reid:

Q. Your home is in England?—A. I have a home in England and a home in New York.

By Mr. German:

Q. And you have a home in Canada now?—A. Temporarily, at the Chateau until this week.

Witness retired.

Committee adjourned.

Mr. W. O. THOMAS.

HOUSE OF COMMONS,

Room 100,

THURSDAY, March 25, 1915.

The Select Standing Committee on Public Accounts met at 11 a.m., Mr. Morphy presiding in the absence of Mr. Middlebro, Chairman.

The Committee proceeded to the further consideration of "Sessional Paper numbered 122 of the present session of Parliament and all other papers in relation thereto, being copies of correspondence between the Auditor General and the Department of Militia and other departments of the Government, laid upon the Table of the House in respect to expenditures under the War Appropriation Act," referred to them by the House.

Mr. GERMAN: Call Mr. Graham.

Hon. Mr. REID: Before you proceed with the different cases to come before the Committee this morning I want to make a statement with reference to this case of Mr. Powell. I want to say that I have brought to the attention of the Prime Minister and my colleagues in the Government the circumstances of this case and I have explained to them the evidence which has been given with regard thereto. The Prime Minister is of the opinion, which is shared by his colleagues that the circumstances surrounding the purchase from Mr. E. Powell are of such a character that the whole matter should be referred with the evidence taken before the Committee to the Department of Justice for the purpose of making such further investigation as may be necessary and of taking such action as may be warranted by the facts. This action should include among other things the recovery of any moneys which have been paid by the Government in excess of fair and reasonable values.

Shortly after the outbreak of war the Prime Minister brought to the attention of his colleagues the absolute importance of making contracts direct with manufacturers or producers and of thus avoiding the use of outside agents and middlemen so that any unnecessary commission or undue price might be avoided. The Minister of Militia informs me that this has been the policy adopted in his Department.

The Minister of Militia had no personal knowledge of the contract with Mr. Powell and knew nothing of the circumstances until they were disclosed at a later date.

The Government is determined to protect fully the interests of the country in this and in all cases and to take such proceedings as may be necessary for that purpose.

Now, Mr. Chairman, I beg to move the following motion, seconded by Mr. Rhodes. that the following report be made by the Committee respecting this case:

The Committee begs to report to the House the evidence adduced in respect to the contract for supplies purchased from Mr. E. Powell and to express its opinion that the contracts for such supplies do not appear to have fully protected the public interests; and the Committee therefore recommend that the evidence adduced and all papers connected with the matter should be referred by the House to the Department of Justice for any further necessary investigation and for the recovery of any moneys overpaid and the taking of such further action as may be warranted by the facts.

We know that Mr. Brown held back \$2,600 and for that reason there is no blame upon him. I think Col. Jones is more blameable than he.

Mr. GERMAN: The motion is absolutely unnecessary because all this evidence will be reported to the House in any event in the usual course.

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The CHAIRMAN: If the adoption of the motion will enable the House to become seized of this matter so that steps be taken to recover the money at once rather than five or six days hence it will be an advantage.

Motion adopted.

Mr. W. F. GARLAND: Might I be permitted to make a remark to the Committee?

THE CHAIRMAN: Certainly.

Mr. GARLAND: When this matter first came up for investigation I spoke to the Prime Minister and asked him to have a thorough investigation, which he afterwards gave. I have never taken any part in this investigation up to the present. I want it to be as full as possible and it has been as full as it can be. There has been no wrong doing on my part brought out. It has been already shown in the evidence that I recommended Mr. Powell, and I did so because he was a reputable young man, also because I was informed by Mr. Shaver that they could not sell direct to the Government, that he had been informed by Colonel Jones that they did not buy direct from United States firms, therefore it was my privilege as a member to recommend some man for this position. I recommended Mr. Powell, considering he would be able to attend to it and he fulfilled the contract, but he did not expect the contract would amount to the total it did when he procured this order. This is shown by his evidence and he is a reputable young man. He has stated to the committee that he made 28 per cent profit; personally I consider that fair, but others do not, that is a matter of opinion. The recommendation that I made may have been a mistake on my part and I am willing to admit that mistake for the simple reason that the Government has stated that the policy of the Government was to buy direct from the manufacturers. Mr. Shaver did not say that when he called to see Mr. Powell in the first instance; he said in his evidence that the Government did not wish to buy direct from the manufacturers. I think it is right, Mr. Chairman, that Mr. Powell should not retain any of the money. I recommended Mr. Powell and I now recommend that he return the whole amount of the money that he received and I have a letter here addressed to the Chairman, which I would like him to read to the committee.

(Letter handed to the Chairman)

THE CHAIRMAN: I will read this letter. (Reads.)

"Ottawa, March 25, 1915.

Mr. H. B. Morphy, M.P.,

Dear Sir:—In view of the policy of the Government in buying direct from the manufacturer, I do not consider it honourable to keep this profit to my credit in the bank, but enclose check for same in favor of the Department of Militia and Defence.

Please have invoices, etc., returned to me. Thanking the committee for their kind hearing.

Yours very truly,

E. POWELL."

A cheque on the Union Bank of Canada dated March 26, 1915, payable to the Department of Militia and Defence for \$6,300, signed by "E. Powell" is enclosed with the letter.

MR. KYTE: What does that \$6,300 represent?

HON. MR. REID: I suppose the evidence shows that was the amount he had made on the contract.

MR. KYTE: I thought it was \$9,000?

HON. MR. REID: But there is \$2,600 not paid, and Mr. Brown stated he was not going to pay that.

MR. KYTE:—Did you recommend any other person than Mr. Powell?

MR. GARLAND: No.

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MR. KYTE: You did not recommend a man named "Cook"?

MR. GARLAND: No. I did not recommend any other person than Mr. Powell, who was the only druggist in my constituency I would recommend.

MR. BLAIN: We are to understand then that the check in your hands, Mr. Chairman, together with the amount that is held by the Department, represents the total amount of profit that Mr. Powell made by the transaction? That is as I understand it.

THE CHAIRMAN: Oh, I would not be held accountable for saying "Yes" to that.

MR. BOYS: I remember asking Mr. Powell the exact amount he had in the bank, and he stated it was \$6,300, and the bills unpaid amount to \$2,601.77.

MR. GARLAND: Mr. Powell does not want to keep one cent.

MR. WELDON J. GRAHAM called, sworn and examined.

By Mr. Carvell:

Q. Mr. Graham, what is your business?—A. Druggist.

Q. Where?—A. 90 Sparks street, Ottawa.

Q. How long have you been in business in Ottawa?—A. Fifteen years.

Q. Did you sell any drugs to the Militia Department since, we will say, the first of August last?—A. Yes.

Q. When?—A. Oh, various times up until last November, I guess. Yes, about the last of November.

Q. What would be the approximate amount of your sales in that time?—A. Well, about, since the war broke out, I guess, about \$1,800. It might be a little more.

Q. Have you in every case, or in any case, been asked to tender for the articles that you sold?—A. Yes.

Q. Have you sold any goods excepting without tender?—A. No.

Q. Did you go to the Militia Department or any of its officials in the early stages of the war, and did you sell such goods as a druggist would usually carry?—A. Yes, once.

Q. To whom did you go?—A. I went to see Colonel Jones.

By Hon. Mr. Reid:

Q. Would you say about what time that was after the war?—A. That was about three weeks after the war broke out.

Q. About the first of September. The war broke out about the 4th of August.

By Mr. Carvell:

Q. What took place?—A. Well, at that time there was nothing doing, you might say; I did not get any encouragement. Just about that time I was told they required some surgical dressings, and I went down, and they said they could not procure any in Canada, as Burroughs and Welcome were the people they always obtained their supplies from, and Burroughs and Welcome were the only ones that supplied compressed bandages. At that time Burroughs and Welcome had about a thousand dollars worth of these goods in Montreal, and Colonel Jones told me: They have sent us a list of what they have in Montreal, and we are going to take up what they have. I left at that, and have not gone back; and they took what supplies they could get in Montreal. Being contraband, they could not get any more of these out.

Q. Have you been in any way connected with Bauer & Black?—A. In a small way, yes.

Q. Have you purchased goods from them?—A. Yes, I guess I was about the largest purchaser they had in Ottawa.

Q. For how long a time?—A. Fifteen years.

Q. You knew the firm well and they knew you?—A. Oh, yes.

MR. WELDON J. GRAHAM.

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Q. From whom did you purchase the goods when you did business with them?—
A. Direct sometimes when we are in a hurry, and at other times mostly through Mr. W. J. Shaver.

Q. Were you in any way an agent of the firm of Bauer & Black?—A. Not any more than anybody else, I guess. If I could call it an agent, when you handle drugs you are an agent to a certain extent.

Q. I would like you to state now exactly the position of things, because it might be a question for somebody else to decide?—A. If you sell goods—I buy these goods and sell them, and I think as far as agency goes I think I quit right there. When you purchase the goods they are yours.

Q. Then you are not an agent?—A. Certainly not.

Q. Did you ever occupy the position of agent?—A. No, sir.

Q. Simply bought the goods from them?—A. That is all.

Q. And you have been dealing with Mr. Shaver or his firm for fifteen years?—
A. Yes.

Q. Did you indicate that fact to Colonel Jones, or anything along the line that you had done business with Bauer & Black, and could purchase those supplies?—A. I do not remember. The conversation was very short, because I am not one to run around looking for orders; if they do not come to my store I do not go looking after them.

Mr. CARVELL: That is all.

Witness discharged.

Mr. J. H. MCQUARRIE, called, sworn and examined.

By Mr. German:

Q. Are you an officer in His Majesty's Canadian Militia?—A. Yes, sir.

Q. What rank do you hold?—A. Major, honorary major.

Q. And you are a member appointed to this Transport Committee?—A. Yes, sir.

Q. With Honorary Major Thomas, Honorary Colonel Senator Taylor, and Mr. McNaught. Is he an honorary colonel also?—A. I think he is.

Q. Is Mr. Russell an honorary colonel?—A. He is an honorary major.

Q. And would you say you thought it was necessary to have honorary officers on this committee?—A. I think the minister did it for a good reason to expedite matters in the department during the rush.

Q. Appointed you honorary major? Do you think that would expedite the purchase of supplies?—A. Yes, I think it raised our status in the department more than if we had been only civilians.

Q. Do you think that a man who is on a public commission doing business for the Government would need to be an honorary major in order to get access to the department?—A. I do not think so, altogether.

(The Chairman instructed the reporter to omit certain questions and discussions.)

Mr. GERMAN: I will see that the reporter takes down the answer of this man when he stated that he was appointed, in his opinion an honorary major because he thought it was necessary in order to expedite the business of the department.

THE WITNESS: I may say that my work at Valcartier was included. I was really on active service.

By Mr. German:

Q. When were you appointed on this commission?—A. Which commission do you refer to?

Q. The Transport Commission. I understood Honorary Major Thomas and you were on it?—A. Some time in December.

Q. In December?—A. The latter part of November or December.

Mr. J. H. MCQUARRIE.

By Hon. Mr. Reid:

Q. At the same time as Thomas?—A. At the same time.

Q. Were they all appointed at the same time?—A. I think they were all appointed at the same time.

By Mr. German:

Q. Prior to your appointment on that commission what had been your employment?—A. I had just returned from Quebec after handling the transport end of the work at Valcartier camp.

Q. How long were you at the Valcartier camp?—A. I went down there, I have practically the exact date of it (consults diary) about the 24th or 25th of August.

Q. And prior to that what had been your employment?—A. Prior to that I was a commission salesman selling automobiles and automobile trucks, and automobile accessories, and various other lines I was handling as a commission broker.

Q. Did you have an office?—A. No, I had no office.

Q. Where was your residence or business?—A. In Toronto.

Q. And had you lived in Toronto for many years?—A. For three years.

Q. For three years, prior to your going to Valcartier?—A. Yes, sir.

Q. And you were acting as a commission salesman of automobile trucks, tires and bicycles?—A. No, I did not handle bicycles.

Q. Automobile trucks and tires?—A. And accessories, including various other lines outside of automobiles.

Q. You had no office?—A. No office, no.

Q. Did you have a warehouse where you stored them?—A. No, sir.

Q. You would procure purchasers of these goods and have them supplied right from your principals?—A. Directly, yes.

Q. And who are your principals?—A. The Walkerville Hardware Co. of Walkerville, Ont., and the Owen Sound Steel Press Works; and I handle some other lines outside; and then I handled automobile trucks and cars, although I did not sell any cars up to that time.

Q. You handled them how?—A. I used to buy secondhand ones. When I got any orders, I would fill them with second-hand cars, the Gramm or the Packard. I handled second-hand cars and the Russell automobiles.

Q. You handled second-hand cars for the Russell Company?—A. No, I handled them, I would buy them myself.

Q. For the Russell Company?—A. Not for them, but for myself.

Q. I understood you to say that you handled second-hand cars?—A. Now I want to put that plain; I was engaged with the Russell Motor Car Company of Toronto up till the 31st March, 1914, when I resigned from them.

Q. And you were employed by them how long?—A. About three years, I was salesman for them.

Q. You had the experience of their business?—A. I resigned from them and took up work for myself.

Q. Then you were only acting as an independent car salesman from March 14?—A. From March 14 to about the first of June I did not handle anything belonging to the Russell Motor Car Company absolutely. Nothing, in fact I was not in a position to handle them.

Q. They were your principals prior to March 14, you were an employee of the Russell Motor Car Company up to that time on salary?—A. On salary.

Q. And on the 14th of March you resigned from that position and went into business for yourself?—A. To sell for myself.

Q. And from that time, until August, when you went to Valcartier?—A. From that time until the first of June I had no relation with the Russell Motor Company.

Q. You did not care about them or anybody else, you were doing business for yourself?—A. Yes.

Mr. J. H. MCQUARRIE.

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Q. Until August?—A. Up till about the 14th of August.

Q. You were independent of anybody and everybody?—A. Independent in so far as I was only working for myself.

Q. And you were handling the cars or trucks of any company for whom you could do business?—A. Quite so.

Q. When did you first become acquainted with the Minister of Militia?—A. I was very small when I was first acquainted with him, in fact I have known him all my life.

Q. You live in the constituency he represents?—A. Yes.

By Hon. Mr. Reid:

Q. Were you born there?—A. I was born there.

By Mr. German:

Q. You say you sold Gramm trucks?—A. I tried to sell them, I did not sell any this year.

Q. You say you did not sell any this year?—A. Yes.

Q. Did you last year?—A. No. I have not sold any of them for a long time.

Q. Did you do business for Wylie Company, Limited?—A. I did, once.

Q. What business did you do for them?—A. I sold trucks for them.

Q. For how long?—A. I do not know how long it would be.

Q. When did you begin to sell trucks for them?—A. I could not say exactly, it was some years ago, four or five years ago.

Q. 1912?—A. About that, I think.

Hon. Mr. REID: Who are the Wylie Company?

By Mr. German:

Q. What is the Wylie Company, Limited?—A. I do not know what their names are, Mr. Wylie is one of the firm, I know, but I think they are out of business now.

Q. Well, who were they?—A. They were in business in Ottawa.

By the Chairman:

Q. Where was their place of business in Ottawa?—A. I do not know, any other member of the firm, that was a trade name they had.

By Mr. German:

Q. How long were you employed by the Wylie Company, Limited?—A. I was not employed at all, I was simply seeking to sell their goods.

Q. Was that during the time you were in the employ of the Russell Motor Car Company?—A. Yes.

Q. And while you were in the pay of the Russell Motor Car Company?—A. Exactly.

Q. And did you sell any goods for them to the Government?—A. I was instrumental in selling some cars for them.

Q. How much did you sell?—A. I think it was two or three trucks.

Q. Three trucks?—A. I think it was three trucks, if I remember.

By Hon. Mr. Reid:

Q. Were they large trucks?—A. The large Gramm motor trucks, three and a half ton trucks, I think it was.

By Mr. German:

Q. And I suppose your idea, since the war began at any rate, is to work on patriotic lines?—A. Absolutely.

Mr. J. H. McQUARRIE.

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Q. And I presume that has been your motive all the way through?—A. Since I started to work for the Government that has been my motive all the way through.

Q. Did you sell any motor trucks to the Government in 1912?—A. That is the sale I am referring to.

By Hon. Mr. Reid:

Q. That is the sale you have just mentioned?—A. Yes.

By Mr. German:

Q. You sold three, and you say you have known Colonel Hughes for a good many years?—A. All my life.

Q. And what kind of trucks were these?—A. They were the Gramm trucks.

Q. And what was their tonnage capacity?—A. Three and a half tons.

Q. What was the price?—A. I just forget the price, I could not give you the exact figures, somewhere around \$3,000.

Q. How much?—A. I think it would be about that.

Q. Somewhere about \$3,000 each?—A. Yes.

Q. And what were they purchased for, for what use?—A. They were sent to the different divisions for transportation work.

Q. To the different divisions of the militia force?—A. Yes.

Q. And how much did Mr. Wylie pay you for your influence with the Minister?

Question objected to by Hon. Mr. Reid.

A. I think it was 8 or 10 per cent. I am not sure. I think it was about 10 per cent.

Q. It was \$1,200, wasn't it?—A. I cannot say for sure. I can let you know what it was, but something like that.

By Hon. Mr. Reid:

Q. On how many trucks?—A. Three trucks.

By Mr. Carvell:

Q. Would you recognize the original receipt if you saw it?—A. Yes.

By Hon. Mr. Reid:

Q. That was in 1912?—A. Yes.

Q. And Mr. Wylie paid you the commission?—A. Yes.

By Mr. German:

Q. He paid you \$1,200 for your influence with the Minister?

Question objected to by Hon. Mr. Reid as unfair.

Mr. GERMAN: If the witness denies it we can very soon produce the receipt.

Mr. Mr. German:

Q. And you gave a receipt for \$1,200 received "For your influence with the Minister of Militia in selling three trucks," did you.

The CHAIRMAN: Just wait, witness, before answering.

By Mr. German:

Q. Did you give a receipt of that kind?

Hon. Mr. REID: We want the original receipt.

Mr. GERMAN: We can get it.

Mr. RHODES: Let the receipt speak for itself

Mr. J. H. McQUARRIE.

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Mr. GERMAN: This witness was the man who signed the receipt; I am asking him if he gave a receipt to Wylie, Limited, from which it appears that he was receiving \$1,200 for his influence with the Minister of Militia in the sale of three Gramm trucks.

Q. Did you give a receipt of that kind?—A. Yes, I think I did.

The CHAIRMAN: Have you the original receipt here?

Mr. GERMAN: No, I haven't it.

Mr. CARVELL: It is within the precincts of the House of Commons to-day.

Mr. RHODES: I want to interpose my objection here. I want to submit that it is not competent for Mr. German to read what purports to be a copy of a receipt; I submit it is not proper evidence and should not be allowed to be read.

Hon. Mr. REID: Mr. Carvell has made a statement that the original is within the precincts of the House of Commons and I would ask him to produce it here. We should have the original.

WITNESS: I am not denying it at all.

Hon. Mr. REID: If the original is not produced now it should be at a future meeting of the Committee.

Mr. GERMAN: I am not putting this copy in evidence. I am asking him if he signed a receipt containing those words. He can deny it if he wants to. I am not putting it in as evidence.

WITNESS: I answered the question.

Hon. Mr. REID: What I am asking is this, there has been reference to a certain document, and the committee are seeking to have that document produced when a member of the Committee says it is here within the precincts of the House.

Mr. GERMAN: I was asking the witness a concrete question: "Did you sign a receipt containing these words," and he answered that he did.

Hon. Mr. REID: Then I asked that the original document be produced and Mr. Carvell or you refused to let us see it.

Mr. CARVELL: I say it is here, and if the witness denies it I will submit it, but he has admitted it.

Hon. Mr. REID: Then we will subpoena you to produce it.

Mr. CARVELL: I will not produce it; if the witness denies it I will produce the original.

THE CHAIRMAN: Mr. German's question was fair, if you take it from the point of view of cross-examination, but the unfairness of it was that the witness is his, and in the usual way he would not be entitled to cross-examine him. The fair plan would have been, since Mr. Carvell says he has possession of the receipt.

Mr. CARVELL: I did not say that.

THE CHAIRMAN: Or that he could obtain possession of it, that the receipt was in the House, the original receipt should be produced in order that the witness might be asked, "Is that your signature?"

THE CHAIRMAN: I do not desire as Chairman to say much, but as I go along I want to have an understanding; I would not like to have this particular instance to be taken as a precedent against the production of original papers when they are available.

Mr. GERMAN: I am not objecting to produce any original papers, in fact, I think I would ask Mr. Carvell to produce it. I think that is fair.

The CHAIRMAN: I do not see there is any use in doing so unless Mr. McQuarrie says the copy you have quoted differs from the original.

A. I do not, I think it is practically right.

THE CHAIRMAN: You can subpoena Mr. Carvell to produce it.

Mr. EDWARDS: If it were produced it would place beyond all question the exact wording of the document.

Mr. BOYS: Reference has been made to the document, and Mr. German, I understand, says he has a copy of it, and he holds it in his hands now.

Mr. J. H. McQUARRIE.

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MR. GERMAN: An alleged copy.

MR. BOYS: An alleged copy, that is he does not know himself whether it is a copy or not, and Mr. Carvell says there is in the precincts of the House of Commons at the present time, the original document. Now, knowing the original document can be obtained, it should surely be produced here.

HON. MR. REID: I want to repeat here again, that so far as the Government is concerned they want to prosecute their investigation to the very utmost limit, and that they cannot do when members of Parliament, having an original document, refuse to put it in the possession of the committee. When we ask here to have that original document produced we are met with an absolute refusal. If it is produced here so that the Government may be able to take prompt action, we are prepared to act immediately, but if Mr. Carvell and other members of the committee refuse to place the information in the hands of the Government then, of course, we cannot take action.

MR. CARVELL: None of your bluffing is any good. I want to tell the minister that the document I refer to is in the House of Commons to-day, and here is a copy of it.

MR. BOYS: Mr. German won't say it is.

MR. CARVELL: I will say so. I will tell you that I have seen the document half a dozen times and read it over.

MR. BOYS: Did you ever compare it?

MR. CARVELL: If you want to subpoena me, subpoena me..... You dare not. This witness admits that the original receipt contains those words.

THE CHAIRMAN: I have ruled in your favour.

MR. CARVELL: I don't want any speechmaking from the minister. If any gentleman wants proof, put me in the box and I will produce the original.

HON. MR. REID: As representing the Government I have stated that we want to get to the bottom of these matters. How can we do it unless we have the document to know what it contains? I would like to see it.

MR. CARVELL: When you do we will produce the original.

MR. BOYS: Take back what you said a moment ago. You said if you were put in the box and asked to produce it you would not produce it.

MR. CARVELL: Well, I will tell you here: you subpoena me and I will produce the evidence.

THE CHAIRMAN: I will ask the hon. gentleman to produce it without any subpoena.

MR. CARVELL: I won't do it.

MR. BOYS: Do you know that is a copy.

MR. CARVELL: I know that is a copy.

MR. BOYS: Have you compared it?

MR. CARVELL: I will say that is a copy.

THE CHAIRMAN: Mr. Carvell says that is a copy. Mr. German says he won't say it is a copy, it is an alleged copy. I have asked Mr. German to let me take that paper and read it to the committee. He has refused.

MR. DAVIDSON: Could we not ask this witness to stand aside and call Mr. Carvell? We want a wide open investigation. If that is the only way to get this document I think we want it, therefore I think we should call Mr. Carvell.

HON. MR. REID: Mr. Carvell has agreed to produce that document. I will ask Mr. Carvell to produce it at the next meeting.

MR. CARVELL: All right. We are not doing any bluffing.

MR. BOYS: But it blocks this proceeding for the moment.

HON. MR. REID: You say you can vouch for that. Let him read it.

MR. GERMAN: I did not say I would not read it.

THE CHAIRMAN: I asked you to let me read it.

MR. GERMAN: I will ask the witness if he signed this receipt. (Reads.)

Mr. J. H. McQUARRIE.

APPENDIX No. 3

Wylie, Limited.

Ottawa, April 22, 1912.

Received from Wylie, Limited, dated April 22, 1912, twelve hundred dollars for my influence with Colonel Sam Hughes, Minister of Department of Militia and Defence, in securing from the department an order for three Gramm trucks. This is in accordance with our agreement with your company, February 19, 1912.

J. H. McQUARRIE.

THE WITNESS: That is in accordance with the agreement made with Mr. Wylie.

By Mr. German:

Q. That is the receipt which you signed.—A. I did not read it all over. It was made out by Mr. Wylie; he simply said: Sign it, and I signed it.

Q. Having been appointed on this transport Committee, what did you consider the duties of the Committee to be?—A. To buy the best goods we could at the cheapest price.

Mr. FRIPP: Has the witness any explanation to give for the wording of that receipt? If he has not he should be prosecuted.

By Mr. Fripp:

Q. Have you any explanation to give for signing such a receipt as Mr. German has just read?—A. The receipt is unfortunately worded. I do not think Mr. Wylie intended to word it so.

Q. Can you read?—A. Yes, sir.

Q. Did you read it?

By Hon. Mr. Reid:

Q. Who wrote the receipt?—A. Mr. Wylie.

By Mr. Fripp:

Q. Was it for your influence?—A. Absolutely not. I had no influence.

By Mr. Edwards:

Q. Is that the exact wording of the receipt?—A. It sounds very much like it.

Q. Will you say positively it was worded exactly like that?—A. Not from memory. It was not for my influence with the Minister of Militia. I never even asked him for the order or anything else.

By Mr. German:

Q. Now, coming back to your appointment on this Commission—

Hon. Mr. REID: Before we finish that, I would like to say this. While perhaps that is an exact copy of the receipt I would like to have the original produced, which I suppose Mr. Carvell has no objection to doing.

Mr. GERMAN: Mr. Carvell says this receipt is in the House of Commons. I do not know whether it is or not. I will have the receipt produced either to-morrow morning or this afternoon.

Mr. CARVELL: Not this afternoon, because I cannot be here. I will be here to-morrow morning. I will stand by anything I have said.

By Mr. Blain:

Q. You say you signed this receipt or some receipt like it?—A. A receipt for the commission.

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Q. Did you see Colonel Sam Hughes in respect to this purchase?—A. All I saw of Colonel Hughes was to ask him if there was any business in the Government, and he said they were going to buy some trucks, and I asked him who to see.

Q. He referred you to the person representing the Government? What was his name?—A. To General Fiset.

By Hon. Mr. Reid:

Q. What was your conversation?—A. I went and saw Mr. Fiset, and he asked me what I had to sell; and I went over the Gramm truck with him.

Q. And any other official?—A. Mr. Wylie took the order himself. I did the canvassing and the selling, and I think he signed the order.

By Mr. Blain:

Q. Therefore, the receipt in so far as you say it was for your commission, not for your influence?—A. There was no influence, no, absolutely, as far as influence is concerned. There was no influence in it at all.

Q. That is all you had to do with the Minister of Militia in respect of the whole purchase?—A. Absolutely.

Mr. GERMAN: You ought to pay back your \$1,200.

The WITNESS: I think it was unfortunate the way it was written.

Mr. GERMAN: It was exceedingly unfortunate.

The WITNESS: What I mean is this: I had a contract with Mr. Wylie. I guess I can produce the contract.

By Mr. Boys:

Q. What is the ordinary commission?—A. Twenty or twenty-five per cent; it goes as high as twenty or twenty-five per cent.

Q. The ordinary commission on a motor worth \$3,000 would be what?—A. About \$600. An agent cannot handle any less than that.

Q. Do you know of any agencies where the commission is less than 15 per cent?—A. I cannot say offhand.

Q. Was your commission covered by a written contract?—A. Yes, in existence at the time; I think I can produce a copy of it. I am not sure, I may have destroyed it.

By Mr. German:

Q. If you had a contract with this company providing for the receipt of a commission by you on the sale of their goods, why was it necessary to have a special contract to receive \$1,200 for your influence?—A. I did not have a special contract for \$1,200. I had a contract on a commission of 10 per cent.

Q. Do not get any deeper in the mud than you are at present, if that is a proper statement; perhaps it is not. You say that you had a written agreement with Wylie Company for the sale of their goods on a commission?—A. Yes.

Q. What commission were you to receive?—A. I think it was 10 per cent.

Q. Well, then, if you were to get 10 per cent commission for the sale of these goods, why was it necessary to get \$1,200 extra commission for influence?—A. The \$1,200 is the 10 per cent commission, that is what it is.

Q. \$1,200 is more than 10 per cent commission on an order of \$9,000?—A. It was less than that.

Q. You have said that the trucks were \$3,000 each?—A. It was over that.

Q. Three of them would be \$9,000, and 10 per cent of that would be \$900?—A. There were extras; there was bodies.

Q. The \$300 was for influence?—A. That is not right. \$1,200 was my commission on the transaction, the \$1,200 which I said it was.

Mr. J. H. McQUARRIE.

APPENDIX No. 3

Q. Ten per cent?—A. Ten per cent.

Q. Let us come now to this commission composed of honorary officers.

By Mr. Boys:

Q. Was the \$1,200 in addition to your commission?—A. That was my entire commission for the contract.

By Hon. Mr. Reid:

Q. Was that 10 per cent on the total sales to the Government or was it more than 10 per cent?—A. I think it was a little less than 10 per cent.

By Mr. Fripp:

Q. Why was it necessary to give a receipt?—A. He wanted a receipt.

Q. Why was it necessary?—A. Because he gave me the money for it.

Q. Do you give a receipt every time?—A. Not always. That is the only time I sold cars for him.

By the Chairman:

Q. Did you get the money by cheque or cash?—A. I got it by cheque.

By Mr. Kyte:

Q. Did you get it at one time?—A. A long time afterwards.

By Mr. German:

Q. Then you were appointed on this commission some time the end of last November?—A. That is for those 150 trucks that we bought recently, a recent purchase.

Q. It was a commission appointed for what purpose?—A. To buy trucks, waggons, bicycles and so on.

Q. To buy trucks, waggons and bicycles?—A. Yes.

Q. Why was it necessary to have five honorary officers appointed as a commission to buy trucks, waggons and bicycles for the Government?—A. I cannot answer that question.

Hon. Mr. REID: I do not see how this man can answer it.

By Mr. German:

Q. What was your salary as a commissioner?—A. I had no salary at all.

Q. None at all?—A. Absolutely not a cent.

Q. None of the commissioners receive any salary?—A. No.

Q. You were appointed with the others in November, and what did you do?—We listened to the men who came here trying to sell their goods, went over the whole thing and tabulated the goods and prices, and brought order out of chaos. And finally picked out a truck that was the best value for the money.

Q. There was chaos in the Department?—A. It was chaos with all the men around.

Q. I guess there is chaos there yet?—A. I would not switch it around that way. There were all kinds of prices and different kinds of contracts.

Q. Is it not in somewhat of a chaos yet?—A. I do not think so.

Q. Prior to your appointment on this commission, who was doing the purchasing of motor trucks and tires?—A. Prior to this last commission? There was another commission appointed on the 2nd August, on which Mr. T. A. Russell and myself were members. And I did not act on the commission at all.

Q. And you were the only two members of that commission?—A. Yes, sir.

Q. Mr. T. A. Russell and yourself?—A. T. A. Russell and myself.

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Q. You were the two gentlemen who brought about the existence of chaos?—A. Understand me right—

Q. You say chaos reigned?—A. Your idea of chaos and mine are different. There was a lot of tabulations to be made and specifications. They picked out any truck in preference to another.

Q. Who is Mr. Russell?—A. He is manager of the Russell Motor Car Co. of Toronto

Q. And you and he purchased the trucks and tires for the first contingent?—A. For the first contingent. The commission appointed me a second time. Mr. Russell did all the purchasing I did nothing whatever.

Q. If you were appointed by the Government to this commission, and you were working from patriotic motives, why were you not attending to the duties of the commission?—A. I was at Valcartier, when the commission was given, and the Minister delegated me to watch the transport at Valcartier camp.

By Hon. Mr. Reid:

Q. You say the commission was appointed?—A. Yes.

Q. Who appointed the commission?—A. I think the Minister of Militia.

Q. Then it was the Minister of Militia. How do you know there was a commission?—A. I saw a copy of the commission.

Q. Appointing you and Mr. Russell?—A. I only saw it two or three weeks ago.

Q. For what purpose was it appointed?—A. Purchasing motor vehicles, waggons, bicycles, accessories and equipment for the first contingent.

By Mr. Blain:

Q. Without salary?—A. There was no salary, nothing whatever.

By Mr. German:

Q. Mr. Russell did all the purchasing?—A. All the purchasing.

Q. And do you know how many motor trucks were purchased for the First Contingent?—A. I think there were about 143; something like that, I cannot give the exact number from memory.

By Hon. Mr. Reid:

Q. About 143?—A. I can give you that exactly, I have the information here.

Q. And Mr. T. A. Russell purchased them all?—A. He purchased the ones for the Contingent; I was with him on the purchasing of those for the Valcartier Camp.

Q. From whom did Mr. Russell purchase trucks for the First Contingent?—A. From the Gramm Motor Truck Company.

Hon. Mr. REID: Of Windsor?—A. Of Walkerville, there were 23 from them and the White Company of Toronto, 43, five of those were bought for Valcartier Camp, and they were taken along because they were short; the Ontario Motor Car Company, 4, they were Packard, two-ton trucks, they were bought on a previous order, not for the Contingent, they were for the Valcartier Camp; from the Automobile & Supply Company, Limited, Toronto, 4; the Dominion Automobile Company, 25, and the Russell Motor Car Company, of West Toronto—I will have to tabulate these in order to give it to you right.

By the Chairman:

Q. Would that be the balance?—A. You can have a copy of this here.

Hon. Mr. REID: It would be about 40, I think?—A. Yes, this is a corrected copy of the list of trucks purchased.

Mr. J. H. McQUARRIE.

APPENDIX No. 3

(List handed in as follows:)

CORRECTED COPY.

LIST OF TRUCKS, ETC., purchased since August 1, 1914.

The Gramm Motor Truck Coy., Walkerville.	23	{	8—2 ton trucks at \$3,600.00 each.
The White Coy., Toronto.	43	{	15—3½ ton trucks at \$4,600.00 each—less 20%.
		{	38 "TAD" Chasses at \$3,700.00 each less 10%.
		{	5 "TBC" Stake trucks at \$3,150.00 each.
The Ontario Motor Car Co., Toronto.	4		4 Packhard 2-ton trucks \$3,050.00 each.
The Automobile & Supply Co., Ltd., Toronto.	4	{	4—25 H.P. Pierce Arrow Truck Chasses with stake bodies at \$3,150.00 each.
The Dominion Automobile Co.	25	{	25—3-ton Peerless Motor Trucks Standard Chasses at \$3,700 each less 10%.
The Detroit Trailer Co. of Canada, Walkerville.	2		3 ton trailers at \$1,100.00 each
		{	8—2,500-lb. trucks at \$1,100 each.
		{	1 Jeffrey Truck at \$3,313.00 each.
	22	"	" " " \$2,470.50 "
	3	"	" " " \$3,325.00 "
	9	"	" " " \$3,595.00 "
The Russell Motor Car Co., West Toronto.			12 Special Trailers at \$1,175.00 each.
			3 Workshop bodies at \$3,500.00 each.
			126 Motor Truck Bodies at \$270.00 each.
			25—3½ ton, Kelly Springfield trucks at \$3,105.00 each.
			8 Delivery Wagons, Model "R" at \$1,650.00 each.
			7—5 Passenger Cars at \$2,750.00 each, less 20%.
			1 Motor Ambulance at \$4,500.00 each.
W. Williams & Son, Lindsay.	48	{	Ford cars, at \$582.50 each, without speedometer.
		{	On each of 12 Ford cars stationed at the Divisional Depots a rebate of \$200.00 is being given the Department; the old cars being returned to the Company.

By Hon. Mr. Reid:

Q. In making your purchases did you try to get them as far as possible, made in Canada?—A. Understand me, I want to be plain about this; there were two commissions appointed, one on the 14th of August, I acted on that one, and we bought trucks for Valcartier Camp; we only had about two weeks in which to buy them, and we bought in Canada as much as we could.

By Mr. Carvell:

Q. Who composed that commission?—A. Mr. Russell and I.

By Hon. Mr. Reid:

Q. And the same commission was appointed in September?—A. I did not act on that at all.

Q. And the next commission you stated was in December?—A. There were about five of us on that.

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Q. And you were on that?—A. Yes.

Q. In purchasing these trucks were there any great number in Canada, or did you try to get them in Canada?—A. In buying the first lot of trucks we only had two weeks to get them in; and it was rumoured around very strongly that they were to be declared contraband of war. We consulted some of the customs officials, who told us that there would probably be difficulty in bringing them in. The minister authorized us to get at least twenty-five two-ton trucks for Valcartier, and we had to get them in two weeks, so that we had to scour the country and we knew that unless we got any trucks that we required to bring in across the border we would not be able to do so unless we acted quickly. We went to the White people. We naturally asked for the discount off them; they are a good truck, and they said there was no reason why they should give a discount off a small order.

Q. And you afterwards purchased some trucks from them?—A. Yes; they were for the Valcartier Camp.

By Mr. Nickle:

Q. Coming back to this receipt for a moment, you had an agreement in February, 1912, with the Wylie Company?—A. I had an agreement.

Q. Have you the document there?—A. I cannot say I have it here, I may have destroyed it; I think it is destroyed, it may be destroyed. I had a copy of it, but I looked upon it as of no importance, consequently the thing may have been destroyed. I haven't it here, anyway; it will be in Toronto if it is in existence.

The CHAIRMAN: Supposing that it is lost, that it cannot be found, and he came back to give evidence upon it, secondary evidence, how much could he go beyond what he has said to-day that would be admissible?

Mr. CARVELL: He would have to go to Wylie's and see if they had it there.

By Mr. Nickle:

Q. The language of the receipt is: "This is in accordance with our agreement with your company, February 19th, 1912." He has only to find out what the terms of that agreement were. A. That is correct as far as I can remember.

Q. Just a moment; I want to know if you are prepared to admit it.

The CHAIRMAN: I may be bound by the objection. I cannot say that Mr. German's objection is not well founded.

Mr. GERMAN: It should not go on the record, as evidence, but if he has a good memory he can state whether the receipt he signed was in accordance with the terms of that agreement.

A. As far as I can recall, it was an agreement to pay me commission on any Gramm trucks I could sell, I think it was 10 per cent, and that is the way the receipt should have read.

Q. Then the commission on the trucks and accessories that you sold to the Government amounted to \$1,200 at 10 per cent?—A. It should have amounted to more than that, but Mr. Wylie told me he had some other expenses in connection with it, and I told him it was all right.

Q. As a committee of business men, can you tell us why you signed such a dangerous and pernicious document as that receipt, from a public point of view?—A. That may have been wrong, I admit that.

Q. That admission is no explanation of why you did it.—A. Mr. Wylie simply wrote the receipt out and I signed it. I cannot tell you why.

Q. Then you signed anything that was presented to you?—A. I do not appear to have read it carefully.

Q. Do you not recognize it was a dangerous and pernicious thing for you to do?—A. I do not admit it.

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Q. That you were selling your influence with a Minister of the Crown?—A. But our agreement would show that.

Q. Is it true or false?—A. There was not any influence in it at all.

Q. Then the receipt was a lie?—A. The only thing I considered it as was a receipt for the money.

Q. But is it a lie?—A. It is a lie as far as "influence" was concerned, but not as a receipt for the money.

By Mr. Carvell:

Q. Do you consider it wrong now?—A. What, the money.

Q. Would you consider it wrong now?—A. I might consider it differently, I have learned something since then, I was young at that time.

Q. You still think it is wrong to use your influence?—A. I do not think so, I think anybody could do that.

By Mr. Sharpe (Ontario):

Q. Does the original agreement make any mention of "influence"?—A. No.

By Mr. Rhodes:

Q. According to your recollection was this agreement made out at that time with reference solely to business with the Government?—A. Solely to business, I do not think it said, "With the Government."

Q. It was business at large?—A. Business at large.

Mr. Mr. German:

Q. An ordinary commission contract?—A. An ordinary commission contract.

Q. To sell goods for Wylie Limited to any persons you could get to buy them?—A. I remember specifically it was to sell to anybody.

By Mr. Davidson:

Q. You had, as a matter of fact, no influence with the Government then or any person else?—A. Absolutely none. I have been selling them before and since.

By Mr. Fripp:

Q. Did you represent to Mr. Wylie that you had any influence with the Minister?—A. No, I did not.

Q. Absolutely you did not?—A. No, I did not.

Mr. FRIPP: We will have to subpoena Mr. Wylie.

WITNESS: He is in Ottawa, I saw him the other day.

By Hon. Mr. Reid:

Q. Did you put those words in that receipt?—A. No, he put them in himself.

By Mr. German:

Q. Now, let us get this thing in sequence. A commission was appointed last year in August?—A. The 14th August.

Q. Composed of T. A. Russell and yourself?—A. Yes.

Q. To purchase motor trucks and tires?—A. Yes, motor trucks for Valcartier Camp.

Q. Did you act on that commission?—A. I acted on the commission, previous to that I had sold the Government some trucks.

Q. Previous to being appointed on this commission?—A. Yes.

Q. How many did you sell?—A. I think it was eight, or sixteen, I just forget.

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Q. From whom were they obtained?—A. From the Russell Motor Car Company, Toronto.

Q. Of what tonnage capacity were they?—A. They were eight 1,500 pound light delivery wagons, and eight two-ton.

Q. That would be sixteen trucks?—A. Yes.

Q. And they were obtained from the Russell Motor Car Company?—A. The Russell Motor Car Company.

Q. What price was charged the Government for those sixteen trucks?—A. The sixteen—the first eight 1,500 pound delivery wagons were sold at a discount of 34 per cent.

Q. I am not asking you that, but I want the amount for which they were sold?—A. \$1,650 each.

Q. That was the price of the eight 1,500 pound trucks?—A. The light ones, yes.

Q. What was the price of those trucks as sold by the Russell Motor Car Company?—A. They were sold at \$2,500 apiece.

Q. That is the retail price?—A. The retail price.

By Hon. Mr. Reid:

Q. The price to the public?—A. To the public, yes.

By Mr. German:

Q. And they were sold, the eight of them, to the Government at how much?—A. \$1,650.

Q. Were you selling those on commission?—A. Yes.

Q. You were selling them on commission?—A. Yes.

By Hon. Mr. Reid:

Q. For the Russell Motor Car Company?—A. Yes.

Q. And you sold eight 2-ton trucks?—A. Mr. Russell and I were together when they were sold.

Q. At what price?—A. \$3,500 each, that is including the bodies and equipment.

Q. Eight 2,500-pound trucks?—A. That is wrong, it should be two-ton.

By Mr. German:

Q. It should be?—A. There was two tons, 4,000 pounds.

Q. What are the 2,500 pounds?—A. Those are the trucks it has reference to there.

Q. And they were sold for \$3,500 each?—A. Yes.

Mr. CARVELL: Were there not 24 Russells altogether?—A. There were 8 and 8; and then there were some touring cars sold afterwards to go with the first contingent.

By Mr. German:

Q. These were all the trucks sold to the Government prior to the appointment of the commission?—A. Prior to—

Q. And you sold them?—A. I was there when the last eight were sold, and I sold the first eight personally.

Q. The commission was appointed on the 14th August, composed of Russell and yourself. Then did you start out to furnish trucks?—A. Furnished up to 25 2-tons.

Q. Where were they got from?—A. Five from the White Company, four from the Packard Company, eight from the Gramm Company, and the other eight were from the Russell Motor Company, making twenty-five altogether besides the eight light delivery wagons.

Mr. J. H. McQUARRIE.

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By Mr. Sharpe (Ont.):

Were they new?—A. All absolutely new.

By Mr. German:

Q. The light ones?—A. The light ones were absolutely new.

Q. Then did that constitute the full number of trucks that were purchased by the commission while you were connected with it?—A. Yes.

Q. The 25. Then there was another commission appointed in September?—A. September 2nd.

Q. From the 14th August up to September 2nd these twenty-five trucks were all?—A. Yes.

Q. Bought by Mr. Russell and yourself?—A. Yes, sir.

Q. Then a new commission was appointed on September 2nd? Who composed that commission?—A. Mr. Russell and myself.

Q. Why was it necessary, or why was it deemed necessary to reappoint Russell and yourself?—A. When the commission was appointed the first time it was only appointed to get twenty-five at Valcartier in two weeks. Then the order came along from the Council to supply an ammunition park and supply trucks.

Q. It was not a new appointment, it was a new order?—A. It was really an extension of the same.

Q. You were first ordered to purchase twenty-five, and then you were ordered to make further purchases?—A. Exactly.

Q. So the scope of your authority was increased instead of being reappointed. As I understand it you did not take any active part in this second order?—A. No, sir, I had nothing to do with it.

Q. Can you speak with any personal knowledge as to the purchases made by Mr. Russell in September?—A. I do not know the details of it. He can speak for that himself. I know only in a general way.

Q. He is to be here and can speak for himself. Does this list of trucks purchased since the 1st of August cover all that were purchased at the time that you and Russell were acting as well as the time that Russell was acting alone?—A. This covers it all.

Q. Purchased either by you and Russell, or Russell acting individually?—A. That is right.

Q. How many are there here?—A. That is right.

Q. How many are there here?—A. One hundred and forty-three to one hundred and fifty.

Q. And you say this list marked "Corrected Copy" gives the details?—A. Gives the details.

HON. MR. REID: It mentions from whom purchased?

MR. GERMAN: From whom purchased and the prices.

THE WITNESS: The prices are there.

By Mr. German:

Q. Correctly put down?—A. That is from the Director of Contracts.

Q. Did you buy any trucks from the Kelly-Springfield Co.?—A. Yes.

Q. How many?—A. Is it 25 that is there? I think it is 25, if I remember rightly.

By Mr. Carvell:

Q. It is 24 according to my memo?—A. 25 I think; it is in the Russell Motor Car tabulation.

By Mr. German:

Q. There are 8 2-ton trucks from the Gramm Motor Truck Co., and 15 3½-ton trucks from the same company, making 23 in all. Were they supplied directly by the Gramm Co. to the Government?—A. I could not answer that. I do not know the

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answer to the question. If they were not they would be handled through the Ottawa Car Co. here. I do not know.

Q. Who is the Ottawa Car Co.?—A. They were their agents here in town.

By Hon. Mr. Reid:

Q. Agents for?—A. For the Gramm Motor Co.

By Mr. German:

Q. Did they invoice these goods directly to the Government?—A. I could not answer the question. Mr. Russell O.K.'d those invoices, I did not.

Q. Can you speak about the 43 from the White Co.?—A. They would be invoiced directly.

Q. Of Toronto?—A. They have a branch in Toronto.

Q. They would be invoiced directly to the Government, at the prices charged. The 4 Packard cars at \$3,050 each would be a price invoiced by the Company to the Government and paid directly?—A. And paid directly.

By Hon. Mr. Reid:

Q. Was that the prices you agreed on, for how many?—A. I think it is 4.

Q. You agreed with the Ontario Motor Co. that that was to be the price?—A. Was to be the price that they were to get from the Government. There may have been a rebate for the duty. I am not sure about that.

By Mr. German:

Q. 4 Pierce Arrow trucks?—A. They were for Valcartier camp.

Q. Were they invoiced by the Company to the Government directly?—A. Yes, directly.

Q. You know that of your own knowledge?—A. I O.K.'d the account.

Q. Then the Dominion Automobile Co.: Where are they?—A. In Toronto.

Q. 25 3-ton Peerless Motor trucks at \$3,700 each?—A. They went to the front with the first contingent.

Q. Were they invoiced directly to the Government?—A. I could not say. I did not see the invoices.

Q. And then the Detroit Trailer Co. of Canada, 2 3-ton trailers at \$1,100?—A. Invoiced from the Russell Motor Car Co.

Q. And then all of these—

By Mr. Sharpe (Ont.):

Q. Who negotiated with the Detroit Trailer Co.?—A. Mr. Russell you mean?

Q. No, was it in Detroit?—A. No, they came to Toronto.

By Mr. German:

Q. There appear to be 91 or 95 supplied by the Russell Motor Car Co., and a number from different other companies. They were all invoiced by the Russell Motor Car Co.?—A. By the Russell Motor Car Co.

By Hon. Mr. Reid:

Q. The way I figure it out, there were 99 purchased direct, leaving about 47 invoiced by the Russell Motor Car Co.?—A. The only ones that were invoiced from the Russell Motor Car Co. were the Kelly trucks.

By Mr. Carvell:

Q. The witness says that the only ones that were invoiced were the Kelly?—A. I think it is Kelly.

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By Mr. German:

Q. Were the 25 $3\frac{1}{2}$ -ton Kelly-Springfield trucks invoiced directly to the Government, or from the Russell Motor Car Co?—A. From the Russell Motor Car Co.

Q. All of these bracketed against the Russell Motor Car Co. were invoiced to the Government by the Russell Motor Car Co?—A. By the Russell Motor Car Co.

Hon. Mr. REID: That would amount to 19 more, that would be 44 altogether.

Mr. GERMAN: I am just figuring out how many trucks or trailers and motor car truck bodies were invoiced to the Government by the Russell Motor Car Co. This man says that this list shows what was invoiced to the Government by the Russell Motor Car Co.

Hon. Mr. REID: Can you tell what those others were?

The WITNESS: I can give it to you correctly.

Mr. CARVELL: That statement goes on the record.

Mr. GERMAN: This is evidence.

By Mr. German:

Q. Then the W. Williams and Son of Lindsay, 48 Ford cars at \$582.50 each. Were they invoiced directly to the Government by Williams & Son?—A. I should imagine so, I did not see the invoices.

Q. What about the Bain heavy type wagons and light type wagons?—A. They will be invoiced directly by the companies from which they were bought.

Q. By the companies who manufactured them?—A. Yes.

By Mr. Sharpe (Ont.):

Q. How many Fords were purchased?

Mr. GERMAN: 48 at \$582.50 each, from W. Williams & Son, Lindsay.

By Hon. Mr. Reid:

Q. Where does he live?—A. In Lindsay.

By Mr. German:

Q. That is where General Hughes lives?—A. Yes.

By Mr. Sharpe (Ontario):

Q. What was the size of the Ford cars?—A. The ordinary 5-passenger Ford.

Q. At \$582.50?—A. Yes.

By Hon. Mr. Reid:

Q. Is that a fair price?—A. A fair price.

By Mr. Rhodes:

Q. There is only one price?—A. There is only one price.

Q. To everybody?—A. Exactly.

By Mr. German:

Q. Did this terminate the purchases made either by Russell alone or by you and Russell as members of the Commission?—A. Yes, sir.

Q. That ended his and your connection with the matter?—A. Exactly so.

Q. Then the new Commission was appointed consisting of honorary officers?—A. Yes.

Q. And then you proceeded to remove the chaos that had existed?—A. If you understood it properly, we did.

Mr. J. H. McQUARRIE.

By Mr. Rhodes:

Q. What time were these Ford cars purchased?—A. They were bought just a little while before the contingent left. I could not tell you. There were 19 besides, those were for the overseas contingent.

Q. All new cars?—A. Yes.

By Mr. Edwards:

Q. Is that the same car that was sold retail by the Ford people for \$690 last year?—A. I think so.

By Mr. German:

Q. These were bought for the first contingent?—A. Yes.

Q. Were they all at Valcartier?—A. 19 at Valcartier.

Q. What has become of the others?—A. They were sent across with the first contingent.

Q. They did not go to Valcartier?—A. They did not go to Valcartier.

Q. Nineteen went to Valcartier?—A. Yes.

Q. Were they also sent across with the First Contingent?—A. No, they did not go, they were to go across, and I took them down to the boat to ship them, but Colonel Price didn't have room for them and they remained in Quebec.

By Hon. Mr. Reid:

Q. How many went?—A. There were 48, minus 19, plus 7, 5-passenger Russell cars, I think eight Russell cars—

By Mr. German:

Q. How many did go?—A. You mean "Fords"?

Q. No, all kinds of cars that went with the first contingent; you are giving the exceptions.—A. There were 25, minus 4, there are 20 remained in Canada of the Valcartier ones, or rather 16, because Mr. Russell withdrew nine of them to go with the First Contingent. He could not get enough, so he withdrew nine from Valcartier and they went with the First Contingent, the others remained.

Q. All that were purchased went with the First Contingent except 19 Ford cars?—A. And 16 2-ton trucks.

Q. Why did not the Ford cars go?—A. They were pretty well used up by the time the First Contingent went, and I had nine ready to load on the boat, but they were not able to take them and they didn't go.

Q. And why did not the Russell trucks go?—A. They were kept at Valcartier for work after the Contingent moved out.

Q. Were all the cars inspected by you?—A. The Valcartier ones were.

Q. And those were all; were the others inspected by any person?—A. The ones that went across?

Q. Yes?—A. They were inspected by Mr. Russell.

Q. He was the purchaser?—A. He was the purchaser.

Q. Was there any Government inspection?—A. No sir, not that I know of; he was acting for the Government.

Q. Mr. Russell was the vendor to the Government, and he bought ninety of these trucks, or about that, from his own firm.

An Hon. Member: It is not a firm.

Q. Well, from his own company?—A. They are here, the full list of them.

Q. Yes, he was selling these cars for his company to the Government, and he was the inspector of them?—A. I think Mr. Russell will be able to explain it very satisfactorily, I think it was almost necessary for him to do it and he did do it.

Mr. J. H. McQUARRIE.

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By Hon. Mr. Reid:

Q. With your assistance?—A. I had nothing to do with it at all.

By Mr. German:

Q. Who fixed the price of the trucks?—A. Mr. Russell on the O.K. of the Minister.

Q. That clears up the matter of the trucks and waggons that were bought for the First Contingent?—A. Yes.

Q. And the prices are shown on that schedule?—A. Yes, I presume it is correct because it is a copy I got from Mr. Brown.

Q. Now let us look at the next lot, have you a list of those that were purchased by the existing traffic commission?—A. There are 150 "Kelly" trucks.

Q. Have you the list of those with their prices?—A. I haven't got it here—no, I did not bring it.

Q. Do you know if there is a list in existence?—A. I have a copy of it. I can produce it here; the invoices are just on the file now, they were delivered down here the last couple of weeks.

Q. Did you buy any trucks from any other concern except the Kelly Company?—A. No sir.

Q. They are all from the Kelly Company?—A. All from the Kelly Company.

Q. Of what sizes?—A. Three and a half tons.

By Mr. Carvell:

Q. Are these the same as those you bought for the First Contingent?—A. I think they are the same.

By Hon. Mr. Reid:

Q. These were bought direct, were they not?—A. Yes.

Q. From the Kelly Company?—A. From the Kelly Company, Springfield.

Q. And they were invoiced direct from the Kelly Company to the Government?—A. Yes.

By Mr. German:

Q. And who did the negotiating for the purchase?—A. Well, it would be the Director of Contracts, I think.

Q. Mr. Brown?—A. Yes, it would go through him after being recommended by the council upon it.

Q. And, of course, you know the Kelly concern?—A. I know them.

Q. Were they bought by tender?—A. Well, the tenders that were received were every person submitted their prices and we dealt with them, we tabulated those offers and showed why it was more advantageous to the Government to buy the Kelly truck than it was to buy any other truck.

Q. Now the existing commission was appointed in November?—A. Yes.

Q. Did you advertise for prices, or how did they come to know that this commission was the body before whom their prices should be laid?—A. I do not know how they knew it, but they all seemed to know; there were all kinds of them there.

Q. Representatives of these various concerns came there?—A. Especially the Canadian representatives.

Q. And they submitted prices with their trade discounts to the Commission?—A. Yes.

Q. And, having looked them all over, the Commission determined that the Kelly prices were the best prices to be obtained?—A. Exactly.

Mr. J. H. McQUARRIE.

By Mr. Sharpe (Ontario):

Q. Did you get prices from Canadian firms?—A. Yes.

Q. Did you write to the firms for them?—A. I do not know whether they were written for or not.

Q. Were they advertised?—A. No, there were no advertisements; but they all seemed to know that we were buying trucks.

Q. And they were all three and a half ton trucks?—A. Yes, and some of them never were in existence at all.

By the Chairman:

Q. Were the agents of the Canadian manufacturers there?—A. We haven't any Canadian builders, they are assemblers.

Q. Who are the Canadian manufacturers; I can give you the names of some of them, the Russell people?—A. They are not truck builders. The only real truck builders I would say, that is Canadian trucks, is the Gramm truck of Walkerville. There are some firms that call themselves manufacturers, but they are only assemblers; but they have not the right to call themselves truck manufacturers.

Q. Did they all have a chance?—A. Oh, yes.

By Mr. German:

Q. And those people are all tenderers?—A. They are only assemblers; the Ontario Car Company is the agent of the Packard.

By the Chairman:

Q. I suppose it is very sure that everybody had a chance?—A. I do not think there is any question about that.

By Mr. German:

Q. After examining all these prices, and after having looked into it, you decided on the Kelly truck, and at what price did they supply to the Government the 3½-ton motor trucks?—A. I cannot give you the price, it was 25 per cent discount off the regular price.

Q. You cannot give that?—A. No; I haven't it here.

Q. You do not remember?—A. No, because there were some deductions to come off on account of bodies, tires and tools, so that I cannot give you that definitely.

By Hon. Mr. Reid:

Q. Do you know that the British officers recommended two or three trucks as the ones most suitable for work across the water. Have you heard anything about that?—A. No, I did not hear that.

Q. You do not know they selected the Kelly, the White and the Peerless?—A. The Peerless seems to have shown up pretty well over there.

Q. And the White too?—A. And the White too, in fact they all did.

Q. And the Militia Department purchased the Kelly truck at 25 per cent discount off the list prices?—A. Another argument in there; you have to consider that a lot of manufacturers wanted to keep their factories going.

Q. You stated that you purchased the Kelly at 25 per cent off the list; was the same offer made to the Peerless and the White that they could supply a portion of that order at the same rate of 25 per cent off?—A. I think that the Committee appointed by Council made some such offer as that, but I cannot say I have heard it.

Q. That is a fact that the Kelly, White and Peerless were the three that were recommended as the ones that would be the most serviceable?—A. Yes.

Hon. Mr. REID: And the same offer was made to them so that they did have the opportunity to supply a portion of the order?

Mr. J. H. McQUARRIE.

APPENDIX No. 3

By Mr. German:

Q. Here is a return that was brought down to the House in answer to certain questions, which says that 150 were purchased from the Kelly Springfield Motor Truck Company. Is that your recollection?—A. Yes.

Q. At \$2,550 each f.o.b. Springfield, Ohio?—A. It was something less than that.

Q. Less \$259.32 for tires and tools, which together with the bodies, were purchased in Canada?—A. That is right, they were purchased in Canada.

Q. Were the same deductions made in the purchase of the 25-three and a half ton trucks of the Kelly Springfield Company for the First Contingent as were made on the trucks for the Second Contingent?—A. That is for the Government; all I know is what Mr. Russell told me, that the Government had a discount of 10 per cent.

Q. You had no first hand knowledge? That is not what I asked for, because it says "a deduction of \$259.32 off the price of \$2,550 per truck for tires and tools, which together with the bodies were purchased in Canada"?—A. Yes.

Q. Were these same deductions made, or any deduction for tires, tools or bodies that were purchased in Canada?—A. I do not think so, because there was not time to get them in Canada.

By Hon. Mr. Reid:

Q. The first lot were supplied complete?—A. Oh, absolutely, fully equipped. They were supplied complete from the States, oh, yes.

Q. So that it would not be fair to make the deduction?—A. No

By Mr. German:

Q. Were those the 3½ ton trucks for which a large number of bodies were purchased in Canada which turned out to be 2-ton bodies?—A. These were the 150.

Q. And the bodies were purchased in Canada for these trucks?—A. For these trucks.

Q. But instead of being bodies for 3½-ton trucks the bodies supplied were only for 2-ton trucks?—A. For only 2-ton trucks.

Q. And there were 150 of them, were there?—A. 150.

Q. And what did they cost?—A. \$168 a piece.

Q. For 150 bodies?—A. 150 bodies.

Q. And of course they have been replaced by bodies for 3½ ton trucks?—A. They are being replaced.

Q. At what price—by tender?—A. I do not think that tenders have been called for yet.

By Mr. Carvell:

Q. Are the bodies being rebuilt now?—A. A sample body is being rebuilt.

Q. Who is going to stand the loss?—A. The situation is that the Kelly Springfield Company expect an order from the French Government for 2-ton body trucks, the French Government uses 2-ton bodies altogether, and if they get this order they will take these bodies off our hands.

By Mr. German:

Q. That is the supposition?—A. That is the supposition, and I think it is a fact.

Hon. Mr. REID: Do you know that they have not been sold?—A. I do not think so, I am pretty sure that they have not been sold.

Mr. J. H. McQUARRIE.

By Mr. Sharpe (Ont.):

Q. The bodies are made according to the specification?—A. Pretty close to the specification.

Q. Who made the specification?—A. Colonel Hurdman.

Q. To whom is attributable the mistake?—A. I do not know.

Q. The specification might have been wrong?—A. The specifications were wrong.

By Hon. Mr. Reid:

Q. Colonel Hurdman made the mistake of giving a specification for the 2-ton instead of the 3½?—A. Some person made a mistake.

By Mr. Carvell:

Q. The fault is not with the manufacturer?—A. I would not blame the manufacturer.

By Mr. German:

Q. What was the price?—A. \$168.

By Mr. Sharpe (Ont.):

Q. Who recommended the style of body?—A. Major W. O. Thomas.

Q. Was it assented to by you and Mr. Russell?—A. When I examined them I said I do not think very much of it. The understanding between Colonel Hurdman and Mr. Thomas was that certain things would be corrected and incorporated in the blue prints submitted to the manufacturer.

Q. Were they?—A. I do not think so.

By Mr. German:

Q. The 150 trucks at \$168 a body would amount to \$25,200?—A. About \$25,000.

Q. And these are on the hands of the Government useless for any purpose?—A. I would rather scrap them than see them go across.

Q. Somebody is responsible for the mistake, someone blundered, but you do not know who?—A. I could not tell.

Mr. FOWLER: I think that ought to be cleared up.

By Mr. Kyte:

Q. Did you know Mason Williams?—A. No. I had nothing to do with the purchasing of the Ford cars at all.

Q. Why did you specify Ford cars?—A. He is the agent for them.

Q. Who purchased them, Mr. Brown or the Minister?—A. I could not say definitely.

By Mr. Fowler:

Q. Why did you say you would rather scrap these trucks?—A. On the 3½-ton trucks the war office requires a body of a certain size to carry a certain quantity, and these bodies are so small they would not carry the quantity. But the size is not the worst. There are some features I considered weak.

Q. What features?—A. The construction is weak, and the hardware on it is bad.

Q. Were they constructed according to the specification?—A. Pretty close.

Q. By whom was the specification made?—It is between Colonel Hurdman and Major Thomas. I think Colonel Hurdman is supposed—

Q. He is an official?—A. Yes.

Q. What is his position?—A. Inspector of artillery and carriages.

Mr. J. H. McQUARRIE.

APPENDIX No. 3

By Mr. Kyte:

Q. Who gave the information on which to make these?—A. They are a type used by the French war office.

Q. Suggested by Major Thomas?—A. I suggested the one we used in the first contingent. I wired for one to be sent here but there was a mistake in the wire and they did not send one up.

Q. The specifications were correct?—A. I think Colonel Hurdman's specification was possibly a little better than the type.

By Mr. Fowler:

Q. The type of what?—A. The type ordered.

By Mr. Carvell:

Q. Would you consider the type that was built from this specification a proper one for a 2-ton truck?—A. The type was very good. I considered the type all right.

Q. You said there were other matters you would not care to accept, what were they?—A. The interchangeability of the parts of the truck was very bad; the hardware on the truck was very poor, you would not put it on your back gate.

By Mr. Fowler:

Q. Who passed it?—A. Who did? I do not know if it is finally passed yet. When the bodies came in I saw them assembling them at the Dominion Bridge Co.

Q. Who had the final word?—A. When I went to see them with Major Thomas, he said to me: What do you think of them Mac? I said: They are not worth a hoot in hell. That was my feeling.

Q. What was his impression?—A. He did not think it was wide enough.

Q. Who accepted these defective bodies?—A. I could not tell.

By Hon. Mr. Reid:

Q. You were one of the Committee?—A. I did not accept them.

Q. You as one of the Committee, must have seen the specification or what were you on the Committee for?—A. I did not see the specification for this reason: I took sick at that time.

By the Chairman:

Q. Tell us who would inspect them?—A. It would be between Major Thomas and Colonel Hurdman.

By Mr. Nickle:

Q. This transport court had removed things from a chaotic conditions. Who is responsible for the acceptance of these goods that you considered defective?—A. I should imagine it would be Colonel Hurdman, he is the inspector. I would presume it would come under his final inspection.

Q. Who is the organizing brain of this transport section?

Mr. GERMAN: Do you think there is any organizing brain?

Mr. CARVELL: The Minister was wise in taking Colonel Bob Low down to Valcartier.

By the Chairman:

Q. Where are these bodies now?—A. At the Dominion Bridge Co.

Q. Under shelter?—A. Yes.

Q. Can they be put on a 2-ton truck?—A. I would rather let them go.

Q. Do I understand you to say they are a total loss?—A. No, we can sell them.

By Hon. Mr. Reid:

Q. Do you mean to say that you would rather scrap them than send them away?
—A. I understood—

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By Mr. Carvell:

Q. Didn't you say they were defective in the hardware?—A. They are the same as the French War Office use.

By Mr. Blain:

Q. What do you mean by scrapping?—A. I would rather see them scrapped.

Q. What do you mean by scrapped?—A. Let the country stand the loss.

Q. The point is, these were new?—A. Yes.

Q. Could they not be sold?—A. They could be sold, and it is the intention to sell them.

Q. That is not scrapping?—A. No.

Q. What you say is this: You say that these bodies are not suitable, and you would recommend that they be sold for some other purpose?—A. Exactly.

Q. Not thrown into the scrap heap?—A. No.

Q. Why didn't you explain that?

Mr. NICKLE: What he said was: I would sooner see them scrapped than go over on 3-ton chasses.

Mr. GERMAN: I don't think you should be jumping on this honorary major as hard as you are.

By Mr. Blain:

Q. You did not mean that these should be thrown into the scrap pile?—A. No.

Q. That is what the average man would understand?—A. I do not mean it at all.

By Mr. Fowler:

Q. I would like to find out from you, if I can, who is responsible for the inspection of these 2-ton truck bodies?—A. I may be wrong, it is Colonel Hurdman whom I would say.

Q. Among how many men would the responsibility lie? You were sick, therefore you are out of it?—A. I was at that time. When the specifications went out I was not here at all.

Q. Upon whom would the responsibility lie?—A. It would lie between Colonel Hurdman and Major Thomas.

Mr. FOWLER: I think we had better have Colonel Hurdman here.

Mr. GERMAN: He is here.

By Mr. Sharpe (Ont.):

Q. Colonel Hurdman was not an expert automobile manufacturer?—A. He may have had an expert knowledge of those at the same time.

Q. Why throw the responsibility on Colonel Hurdman? He was not the expert man on the work—A. I think he assumed the work, of inspecting that stuff.

Q. And making the specification?—A. I did not have anything to do with the specification.

Q. Did Thomas?—A. Thomas might have, I am not sure.

By Mr. Kyte:

Q. If you had nothing to do with the inspection, you and Thomas were appointed to look after the transport purchasing. That meant purchasing and seeing that the right article was purchased?—A. I was not here when the specification went out.

Q. You were here when these came in?—A. Exactly.

Q. Why didn't you condemn them then?—A. I did.

Q. Notwithstanding your condemnation they were accepted?—A. They may not be accepted yet.

Mr. KYTE: They are paid for.

By Mr. Fowler:

Q. They would be suitable for 2-ton trucks?—A. Yes.

Mr. J. H. McQUARRIE.

APPENDIX No. 3

By Mr. Rhodes:

Q. Will you give us a resumé in your own words of your experience in connection with the manufacture of motor trucks and apparatus?—A. My connection with the motor business would be more or less limited, but with automobiles, about 10 years.

Q. What was your first connection?—A. Repairing them, overhauling them, and even in building engines. I had a personal knowledge for a long time.

Q. Were you a mechanic?—A. Yes.

Q. A full-fledged mechanic?—A. No, I would not call myself a full-fledged mechanic.

Q. When was your first experience?—A. In Ottawa, at Wilson's garage on Bank street.

Q. Were you working there as a mechanic?—A. I came in to study the business.

Q. Did you ever have any experience in manufacturing trucks?—A. No.

Q. Did you ever have any experience in any factory manufacturing motor cars, any kind of motor cars?—A. No, I did not, no.

Q. How long did your experience in the Wilson garage last?—A. About a year.

Q. Where did your next experience take place?—A. My next experience, I was driving cars for a while when I was going through college in the holidays.

Q. A chauffeur?—A. Yes.

Q. How long did that last?—A. About three years.

Q. And that would be confined to your vacations?—A. To my vacations, yes.

Q. After you came out of college of what did your experience consist?—A. Driving for a year and a half, and then I was manager of a garage here in Ottawa.

Q. You were manager of a garage in Ottawa? Had you any experience at all with the manufacture or repair of motor trucks during these ten years?—A. I had with the repair of them extensive experience.

Q. In the garage?—A. And on the road; and in an advisory way in the country.

Q. Give us your experience that would enable you to give an opinion on the body?—A. I do not think it would need very much experience. All you would have to do is to look at it and you would know it was not the kind of stuff to go on it even for commercial purposes.

Q. Any adult would know that?—A. Any person with common-sense.

By Hon. Mr. Reid:

Q. That is your opinion?—A. Yes.

By Mr. Fripp:

Q. Is that the fault of the manufacturer or the fault of the man who made the design?—A. I think that the fault would be mostly on the specification.

Q. That man is Colonel Hurdman?

MR. GERMAN.—Let us be fair. Colonel Hurdman cannot speak for himself until he is called. What was Honorary Major Thomas appointed for? Was he not appointed expressly because he claimed to be an expert on this thing?

The WITNESS: He was expressly engaged for the chasses.

By Mr. German:

Q. Where were these bodies made?—A. By McLaughlin, Massey-Harris, and Heney.

Q. You have said that any person with common sense could give an opinion as to the character of the motor truck body. Is that statement with respect to the workmanship or the design?—A. I would say workmanship.

Q. Would you say that any person with common sense could give an opinion as to the designs or character of the body?—A. It might not be so easy to do that. The interchangeability of the floor parts and the sides and ends, that is very important.

By Hon. Mr. Reid:

Q. You do not think this design was a good one?—A. I did not like it, but I would pass it if the workmanship was good.

Q. You do not think Colonel Hurdman had any commonsense?—A. No, I am not blaming Colonel Hurdman.

By Mr. Kyte:

Q. Who passed it for the workmanship? Was that Colonel Hurdman or Major Thomas?—A. I am not sure. The big trouble was the width of the bodies.

By Mr. Sharpe (Ont.):

Q. Now, you are laying the responsibility on the manufacturer. I understood you to say that the manufacturers delivered them according to the specification?—A. That does not say that the workmanship is good. If the specification calls for a hinge a hinge should be furnished that will do the work, not one that you would not put on a gate.

Q. It was not the fault of the manufacturers?—A. I am not blaming the manufacturers.

By Mr. Rhodes:

Q. Let us clear up that point, you say that they were rejected because of workmanship?—A. In the first place they were not of the right width.

Q. That is a matter of design, is it not?—A. That is a matter of putting together.

Q. Is not that in the design?—A. It is design, yes.

Q. Now come back to the question of workmanship; detail to the Committee what in your judgment were the defects in workmanship in those bodies, take your own time to do so?—A. Coming to the workmanship—

Q. That is the method by means of which the man would put together the material forming the motor truck body?—A. Take the hardware, in the first place the hardware is a very cheap kind of hardware, the hinges, for instance, and the brackets.

Q. Cheap in what way?—A. They were poor and weak—I will produce the stuff to you right here.

Q. Answer my questions for a while. Have you had any experience in the manufacture or sale of hardware?—A. No, sir.

Q. You have had none whatever?—A. I have sold a little hardware, but not to any extent.

Q. How much? What branches?—A. For carriages, etc.

Q. Do you call that hardware or supplies?—A. You can call it either one.

Q. What kind of hardware?—A. Hammers, chisels, hardware.

Q. Was it in the city of Ottawa you were selling?—A. No, I was selling it on the road, on a commission basis.

Q. Come back to the hinges again, would these hinges be sound hinges for purposes for which they were suitable, I am speaking as to the strain?—A. I do not know what they are used for, possibly for a gate.

Q. They were all right for light work?—A. They would be.

Q. Was there any other defect you can tell of in the hinge?—A. Yes, it was loose, for instance you could take it and wobble it this way (indicating) it was not good workmanship at all.

Q. A hinge is supposed to be supple?—A. There is something rigid about a good hinge.

Q. Was your criticism of the workmanship, or was it on the question of suitability for the work?—A. Suitability.

Q. Now give us the next thing that you say showed defective or bad workmanship.—A. The interchangeability of parts of that body.

Q. Now you are speaking of design again?—A. That would be design, yes.

Mr. J. H. McQUARRIE.

APPENDIX No. 3

Q. I am asking you about workmanship, you understand the English language, do you?—A. Yes.

Q. What about the wood that went into it?—A. The tailboard. I think had soft wood in it.

Q. Was it good soft wood?—A. I am not a judge of wood, but I would not have it in there at all; I would not use soft wood in a truck at all, it might have been good soft wood, but I would not use it in a truck; the specification can be produced here.

Q. I am not asking you about the specification, but about the workmanship on these truck bodies. Were the posts or pieces of wood going into the construction of the frame of the best wood?—A. They were of the best wood, but they did not fit very well.

Q. Is not that a matter of workmanship?—A. Yes, it is, they were loose when the stakes were set down into the pockets you could shake them a quarter of an inch sometimes, they should be tighter than that.

Q. Was the wood used in the construction of the bodies good?—A. I would not say it was all good wood. It might have been good wood for other purposes, but not in a truck body.

Q. Why?—A. It was too soft, too weak.

Q. What kind of wood would it be?—A. I think it would be poplar, possibly, I am not an authority on that.

Q. In other words, you do not know?—A. I do not know.

Q. What kind of wood were the stakes constructed of?—A. They would be oak stakes.

Q. Are you sure of that?—A. I think so.

Q. And the pieces of wood that form the framework, the floor of the body, what kind were they?—A. I couldn't tell you that. I am not an authority.

Q. How do you know that the stakes were oak stakes?—A. They looked like that.

Q. What other defects did you observe in that body, speaking now with respect to workmanship?—A. In the floor, for instance, there were boards of two or three sizes, and the specification called for a certain width of board in the floor; some of them were narrower than the specification required, and above the boards the strip was put in very crooked, and sometimes if you had any part broken you would have to take out the whole of the floor to replace it.

Q. Were the screws pretty fair?—A. Pretty fair.

Q. And what about the straps of iron?—A. They were pretty light.

Q. But as light strips they were good?—A. As light strips, but they were unsuitable for that kind of work.

Q. Was the body painted, how about the paint?—A. It looked like a "dipped" job, but I would not say as to that.

Q. What colour was it? And was it dipped?—A. It was a serviceable colour, it looked like a fair job of painting.

Q. Have you ever had any experience in painting?—A. I have had 150 trucks painted the last few weeks.

Q. You claim that you know a good job of painting when you see it?—A. I can tell it pretty well.

Q. You know good painting when you see it?—A. Yes, so would any man with common sense.

Q. Can you tell it when you see it?—A. I think so.

Q. And conversely, can you tell poor paint when you see it?—A. I think so.

By Hon. Mr. Reid:

Q. Did you O.K. the account for these trucks?—A. No, I did not.

Q. Do you know who did?—A. I do not know who did, I do not know whether they are O.K'ed yet.

Witness retired.

Committee adjourned.

Mr. J. H. McQUARRIE.

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HOUSE OF COMMONS,

Room 100,

FRIDAY, March 26th 1915.

The Select Standing Committee on Public Accounts met at 11 a.m., Mr. Morphy presiding, in the absence of Mr. Middlebro, Chairman.

The Committee proceeded to the further consideration of "Sessional Papers numbered 122 of the present session of Parliament and all other papers in relation thereto, being copies of correspondence between the Auditor General and the Department of Militia and other Departments of the Government, laid upon the table of the House, in respect to expenditures under the War Appropriation Act" referred to them by the House.

Mr. McQUARRIE recalled:

By Mr. Carvell:

Q. Will you look at that receipt and say whether that is your signature? (handing document to witness.) What do you say about that Mr. McQuarrie? Is that your signature?—A. It looks like mine.

Q. I want you to be positive about it?—A. The signature is mine. The only recollection I have is that the receipt was written, not typewritten.

Q. The signature is yours?—A. The signature is mine.

Mr. CARVELL.—That receipt came to me anonymously through the mails with the newspaper clipping attached.

After the debate the receipt was handed to the Chairman who initialed it for purposes of identification. Document fyled as follows:—

"Wylie, Limited,
Office and Salesrooms 186 & 188 Albert St.,
Ottawa, April 22nd, 1912.
Canada.

"Received from WYLIE LIMITED dated April 22/12. Twelve hundred dollars (\$1200.00) for my influence with Col. Sam Hughes, Minister of Dept. of Militia & Defence in securing from the Department an order for three (3) Gramm Trucks.

This is in accordance with our agreement made with your company Feby. 19/12.

(Sgd.) J. H. McQuarrie.

(Pencil)

Paid by Check 56
April 22/12"

Mr. McQUARRIE.—Do you know where it came from?

Mr. CARVELL.—I haven't the faintest idea in the world.

The CHAIRMAN.—I think this document had better be left with the Committee for a while and Mr. Carvell can take it off the fyle afterwards if he desires to do so.

Examination of Mr. McQUARRIE resumed.

By Mr. Nickle:

Q. Do you know what those initials "G. L." mean in that receipt?—A. I do not know I am sure, but it may be the accountant's stamp.

Mr. J. H. McQUARRIE.

APPENDIX No. 3

By Mr. Carvell:

Q. I was not here on the first day that this matter was investigated. Mr. McQuarrie, and possibly I might ask you several questions that would be a repetition, but I want to get it down consecutively, if I can. Who purchased the Gramm motor trucks?—A. You mean all of them?

Q. Who purchased the Gramm motor trucks?—A. Mr. Russell and I purchased them; I purchased some of them, and Mr. Russell purchased the balance of them.

Q. There were 23, according to this memorandum?—A. 23.

Q. How many did you and Mr. Russell buy jointly?—A. 4 or 5. I am thinking 4 Whites or 5 Whites; I think it is 4.

Q. I am talking about the Gramms?—A. There were either 4 Whites or 4 Gramms and 5 Whites, I just forget the exact number.

Q. Then it was either 4 or 5 Gramms?—A. Yes.

Q. I understand the Gramm is a Canadian car?—A. Yes.

Q. And they are manufactured at Walkerville?—A. Yes.

Q. Is it manufactured or assembled?—A. It is assembled principally.

Q. How do you know that?—A. I understand from Mr. Acason himself; he has told me they take in most of the parts there and assemble them, the engine and rear axle and transmission and those parts.

Q. Magneto?—A. Yes, there is no magneto made in Canada.

Q. Axles, bearings?—A. Yes, they are all imported. There may be some small fittings made in Canada.

Q. About the chassis?—A. The frame, I am not sure about the frame.

Q. What about the bodies?—A. They may be made in Canada.

Q. Would any of the accessories be made in Canada, or all imported?—A. Very few accessories; I don't know of any of the accessories made in Canada.

Q. And this is chain drive?—A. Chain drive.

Q. Then the transmission would be imported?—A. Yes.

By Mr. Rhodes:

Q. I understood you to say yesterday that there could only be one firm recognized as a legitimate Canadian manufacturer of trucks?—A. Yes.

Q. Which was that?—A. That is the Gramm.

Q. Did I not understand you to say just a moment ago that the Gramms were assembled?—A. They are. I mean by that, I had explained that yesterday, that they started in the game in the early days, and tried to develop an industry in Canada.

Q. Do you say now that they do not manufacture, but only assemble?—A. They are assemblers and manufacturers; you can put it that way; I think there is no mistake about that.

Q. Yesterday, If I mistake not, you were quite positive that those people were the only legitimate manufacturers; do you want to change that?—A. No, I don't want to change that at all, if you understand what I mean by manufacturers. Very few manufacturers manufacture all the parts, any way. Gramm does manufacture more of its parts than possibly any other truck manufacturer in Canada.

Q. Speaking in that way, is there any manufacturer of trucks then?—A. There are what I would call manufacturers of trucks; a man that designs his truck and orders his parts according to his design, I would call that a manufacturer.

By Hon. Mr. Reid:

Q. Have you ever been in the Gramm works in Windsor?—A. Yes, sir, I have been through them.

Q. Did Mr. Gramm tell you the number of parts that he did import?—A. No, I don't think he told me all the parts.

Mr. J. H. McQUARRIE.

Q. Did he tell you any of the parts?—A. Yes, he did.

Q. Did he tell you about what proportion of a truck he did import?—A. Not the proportion, no.

Q. Then how do you speak from knowledge of this when you really have never got it from any one?—A. I got it from Mr. Acason himself, the parts that he imports; we all know that he imports his axles and transmissions—

Q. How do you know? I don't want any injustice done to the Gramm.

Mr. CARVELL: Do you suppose there is an axle or transmission manufactured for any truck in Canada?

Hon. Mr. REID: No, but I don't want him to do an injustice.

The WITNESS: I am doing no injustice whatever.

The CHAIRMAN: Mr. Bennett, of the firm is here, and willing to go into the box and give you all that information, so we will pass that.

By Mr. Carvell:

Q. You bought several 2-ton trucks, you say?—A. Whatever the figures are there.

Q. It says here \$3,600 each, less 20 per cent, that is the Gramm, for 2-ton trucks; that would be \$2,880 as I figure it out?—A. The ones I bought and Mr. Russell were bought at list price; there was no discount on them; that 20 per cent is possibly for the ones that Mr. Russell bought.

Q. Then there was no discount whatever?—A. No discount.

Q. Then you paid \$3,600 for 2-ton trucks to the Gramm Co.?—A. Yes.

Q. Have you bought any 2-ton trucks for the second or third contingent, or since the latest commission was created?—A. No, sir.

Q. Did you buy any 3½-ton trucks from the Gramm people?—A. No, sir, I did not.

Q. But Mr. Russell did?—A. Mr. Russell did.

Q. Have you any personal knowledge of the prices paid?—A. No, sir, I was not there.

Q. This statement says it was \$4,600 less 20 per cent; now, if I am right in figuring, that would be \$3,680; would you adopt that, or figure it out for yourself?—A. I would adopt that, but there is another contingency comes in there. I think there is a rebate of duty comes in there, and I don't know how Mr. Russell had that arranged.

Q. This is Walkerville?—A. This is Walkerville.

Q. This is a statement of the purchase, and it says that there were 15 3½-ton trucks at \$4,600 each, less 20 per cent; if that be true it would make the net cost to the Government \$3,680 for 3½-ton trucks?—A. That would be right.

Q. Your present commission is buying 3½-ton trucks for the Government?—A. Yes.

Q. What are you paying for them?—A. 3½ Kelly trucks, \$2,550, less some reductions for parts that are supplied in Canada.

Q. That does not make any difference, because as far as the Government is concerned it will cost them \$2,550?—A. Yes, we buy them for 25 per cent discount.

Q. But it nets out \$2,550, and there is something taken off that again, and you would have to pay money out to make up the deficiencies?—A. Yes.

Q. So when they are delivered to the Government complete they would cost \$2,550?

By Hon. Mr. Reid:

Q. Does the \$2,550 include the bodies, and does the other \$3,680 include the bodies?—A. No, sir. We supply the bodies for the Kelly's in Toronto.

By Mr. Carvell:

Q. But you are supplying the Kelly's in Canada at what price?—A. \$2,550, less whatever the extras are.

APPENDIX No. 3

Q. When the bodies are supplied, and the tools and the tires, or whatever the exceptions may be, what will be the cost to the Government?—A. I couldn't tell you; I don't think it is worked out yet. Mr. Thomas has the estimate on that, possibly.

Q. Did you not say yesterday that the price was \$2,550 each less \$259.32 per truck, for tires and tools which, together with the bodies, would be purchased in Canada, so there is \$259.32 taken off that \$2,550 to cover cost of the bodies and the tires and the tools; now, does that cover the bodies, tires and tools, or only tires and tools?—A. Only tires and tools.

The CHAIRMAN: It says the bodies also.

Hon. Mr. REID: This says for tires and tools which, together with the bodies, were purchased in Canada. I would interpret that.

Mr. CARVELL: I want the witness's interpretation of that.

The WITNESS: That is right.

Hon. Mr. REID: I do not think the witness should interpret the document of the Department.

Mr. CARVELL: The witness is the man who bought them; I want his interpretation of that; what do you say.

The WITNESS: You have the interpretation of that. I say they were bought for \$2,550 less \$259, for tires and tools, and the bodies were made in Canada—the bodies extra.

By Mr. Carvell:

Q. \$259.32 off \$2,550?—A. Yes.

Q. So that \$2,290.68 was what you were really paying to Kelly?—A. I think that is about correct; I did not go into the figures.

Q. When the bodies and tools are supplied in Canada you estimate that they would cost the Government \$2,550?—A. Not with the bodies.

Q. Without the bodies?—A. Without the bodies.

Q. What are the bodies costing?—A. \$168.

Q. That would make a total of \$2,718 complete?—A. About that.

Hon. Dr. REID: In bond.

The WITNESS: There would be the extra work of putting those bodies on. That will be extra, whatever that will cost. It is necessary to put the bodies on in Canada.

By Mr. Carvell:

Q. I want your estimate of what it would be?—A. I could not give it just now.

Q. Have you no judgment whatever on the subject?—A. No sir, I have not.

Q. Are those Kelly trucks duty paid?—A. They are duty paid; you mean we pay the duty.—They come in free of duty.

By Hon. Mr. Reid:

Q. How would they get through the Custom's Department free of duty?—A. I understand there is an arrangement made with the Custom's Department whereby they come in free of duty.

Hon. Mr. REID: They would not come in duty free if they were to be used in Canada; the Militia Department would pay the duty; but if they come through going to the front, then they would go through in bond, and they are allowed to remain over to put the bodies on; so that these trucks, if they went to the war, would go through in bond, but on any of them that remained in Canada there would be a full duty of 27½ per cent, about \$600 duty.

By Mr. Carvell:

Q. And did you have anything to do with buying the White trucks?—A. I had with 4 or of them.

Q. Who bought the rest?—A. Mr. Russell.

Q. Did you have anything to do with buying the Packard trucks?—A. Yes, sir, 4 of them.

Mr. J. H. McQUARRIE.

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Q. And those were \$3,550 each?—A. I think so.

Q. And they were 2-ton trucks?—A. Yes, sir.

Q. Were they bought at the same time as the Gramm trucks were purchased?—

A. Yes.

Q. Do you know whether the duty was paid on those 4 Packard's or not?—A. I don't know.

Q. The price given here was \$3,550 each?—A. There may have been some rebate on account of duty, but I couldn't tell you that.

Q. Anyway, the price is \$3,550?—A. They were bought at list price.

Q. Can you compare the value of the Packard 2-ton truck with the Gramm 2-ton truck, or what would you say as to their comparative values?—A. I don't think that would be a fair question to answer.

Q. Certainly; you are here as a motor expert—the very man to answer that question?—A. Well, I would consider the Packard the better truck.

Q. What percentage would you consider it better than the Gramm?—A. I couldn't give it to you in percentage.

Q. Would it be worth \$500 better? Suppose you were buying a truck for your own use, and there were 2 sitting down here on the street, a Gramm 2-ton truck and a Packard 2-ton truck, would you pay \$500 more for the Packard than you would for the Gramm?—A. I think I would.

Q. And yet you paid \$550 more for the Gramm truck than you did for the Packard?—A. \$550 more?

Q. Yes, according to the figures here —A. That is the Canadian list price for the Gramm truck.

Q. That is what you paid?—A. Yes.

Mr. RHODES: Ask him why he would prefer the Packards to the Gramm trucks?—

Mr. CARVELL: Why do you consider the Packard a better truck than the Gramm?—A. Because there is a larger establishment behind it, more capable of making a good truck, and because of the experience the people have had and which has gone into the manufacture and building of the truck; whereas the Canadian firms have not the facilities the other firms have.

By Mr. Rhodes:

Q. Take the Packard truck and the Gramm truck, and please tell us, as far as efficiency and suitability of the trucks are concerned, why in your judgment the Packard is better than the Gramm?—A. I think there is better stuff in it and it seems to work smoother and nicer, the engine works smoother; the engine that the Gramm people use in their trucks is an engine that has given trouble and the Packards have never had any trouble like that.

Q. Did you buy any from the Peerless?—A. No sir.

Q. You told us yesterday there were a number of Russell light delivery trucks, something of that kind, purchased. Will you described how those were constructed?—

A. In the construction of that car the chasses was a strong chasses like a big touring car.

Q. And the model?—A. The chasses was a 2690-Model, and 38-rear.

Q. A Knight engine?—A. No, a poppet valve engine.

Q. Would it be like the Russell 30?—A. Yes, a 30.

Q. That is a well known car?—A. A well known car.

Q. What was the body?—A. The body was a frame body with wicker sides and leather top, painted red, capable of carrying about 1,500 lbs.

Q. How many of these were there?—A. Eight.

Q. Where are they now?—A. They are distributed around, I think, among the Divisions, one in Toronto and I think there is one in Calgary.

Q. They are still in Canada?—A. Still in Canada.

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By Mr. Rhodes:

Q. Where is the transmission of the Packard carr; whereabouts is it located?—A. Behind the engine.

Q. Is it behind the engine?—A. Yes.

Q. Is it located in the same place as the transmission of the Gramm?—A. No.

Q. Where is that?—A. It is back from the engine and in the Packard it is front of the rear axle.

By Mr. Carvell:

Q. All the Packard transmission are that way, I think. It is a chain-driven car, is it?—A. A chain-driven car,

Q. And the transmission is back in front of the rear axle, the same as in the ordinary Packard car?—A. Yes.

By Mr. German:

Q. I would like to ask you about these Kelly trucks; when they came here they had to have tires put on them, didn't they?—A. Yes.

Q. I believe that it is necessary when tires are being put on the trucks to have the tires bored?—A. The wheels bored.

Q. I mean the wheels bored, the tires get bored soon enough. That should have been provided for in the shops of the Kelly Company?—A. I do not think it was provided for.

Q. By reason of the persons who were responsible for purchasing them not having notified the company that they were to be bored?—A. I could not tell you that.

Q. Now how much did it cost per wheel to bore them after they reached here?—A. I did not make an estimate of it; possibly Mr. Thomas would answer that question.

Q. It is about \$10 a wheel, is it not?—A. Oh, no.

Q. How much would it be, \$5?—A. No, not nearly that much, the cost of unloading the trucks and taking the wheels off, painting them and putting them together, putting on the tires, boring them, and all the work that was done I do not think would be less than \$20 a truck.

Q. That would be \$5 a wheel?—A. No, the boring of the wheels is a small item, the painting is pretty expensive.

Q. How much expense would have to be put on them by reason of the wheels not being bored?—A. Just for boring the wheel?

Q. Yes, give it approximately?—A. It is a dollar a wheel.

Q. But I want the whole, the total expense incurred by reason of the wheels not having been bored before they left the factory?—A. It might be less than one dollar.

Q. What I want is the whole thing, the extra expense by reason of the wheels not having been bored at the factory?—A. If the wheels had been bored at the factory they would have had to be taken off anyway to put the tires on, and then painted, we would have the extra expense. The boring of the wheels in itself is a very small matter.

Q. Do you know what has been actually paid for the work?—A. I do not know.

Q. It seems to me that you have not been doing your patriotic duty in connection with that?—A. It was Mr. Thomas' duty to do that.

Q. Will he be the one to explain about that?—A. He can explain.

By Hon. Mr. Reid:

Q. I want to ask one or two questions about the cost of the Kelly, Springfield. You say that the cost of the Kelly, Springfield, truck is \$2,550, on the other side, less \$259?—A. Yes.

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Q. Now when these are brought across to Canada the articles mentioned would have to be purchased here, and the cost of them added to that?—A. Yes.

Q. Therefore the cost when in Canada would be the \$2,290.68, paid to the Kelly Company?—A. Yes.

Q. Then the articles that are to be purchased here would be the same amount that was deducted, \$259. but to that would be added \$168, the price of the bodies, and if the Militia Department keep them in Canada there would also be the duty of \$618.30 to be added, that being 27½ per cent, on \$2,290.68?—A. Yes.

Q. These three amounts would amount to \$3,336.30, and in addition to that there would be the extra charge for fitting the bodies?—A. Yes.

Q. And any other cost of assembling would have to be added in order to ascertain the net cost to the department in Canada?—A. It would.

By Mr. German:

Q. Did you have anything to do with purchasing the tires?—A. We just recommended the tires, as a committee, we did not purchase them.

Q. Who purchased the tires?—A. All the orders were franked by the Committee of the House.

Q. Oh, no, not by the Committee of the House?—A. By the Committee of Council.

Q. Do you know anything about the purchasing of tires for the First Contingent that were bought from the Canada Cycle and Motor Company?—A. No, sir, we did not buy them at all.

Q. Do you know anything about the price paid for tires for the Second Contingent?—A. Yes.

Q. How much?—A. The original price was \$247 or \$250.

Q. \$247, you say?—A. Something like that, there were some little extras.

Hon. Mr. REID: What was the price of the first lot?

Mr. GERMAN: The first lot cost \$390.18, and the second lot \$247.

By Hon. Mr. Reid:

Q. Is that for the set of tires, how many tires does that represent?—A. That is for six tires.

Mr. CARVELL: Double rear and single front.

Q. Does that represent six tires for the second lot?—A. Yes.

Q. For the same kind of tires?—A. There is quite a difference in the size.

By Mr. Carvell:

Q. What is the difference now?—A. The Kelly is 38 x 5.

Q. And the Canadian?—A. I cannot give you the size of the others.

Q. What is the size of the Peerless?—A. I do not know.

Q. What is the Gramm?—A. 38 x 5.

Q. How do you know there is a difference in the sizes?—A. I have heard there was a difference in the sizes, that they were different sizes.

Q. These are not pneumatics?—A. They are hard tires.

Q. That is the same 3½-ton truck, and it would have the same tires?—A. They have been putting out trucks with different sized tires.

Q. Now it is well known that with a pneumatic tire you can take, say, a wheel of 34 by 4 and you can put on that a 35 by 4½ tire, and they both work equally well?—A. That is they are interchangeable.

Q. Is that true of the hard rubber tires?—A. I think it is, I would not say for certain.

Q. I would like to have that answered.—A. Unless I can say that positively I do not want to give an answer; I never had a lot of experience with that, I can find out if you desire me to get the information.

Q. All right, try to get it and have it for us?—A. I will get it.

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Q. Then the tires of the first Kelly's and the tires of the second Kelly's would be the same?—A. They may have had larger wheels.

Q. Do you know if they had?—A. I do not know.

Q. Who, in the department would be able to give us that information?—A. I think I can get that information for the next meeting of the committee, the size of the tires.

Q. And also the information whether it was interchangeable?—A. I think so, but cannot say; the question was never asked me before.

By Mr. Hughes (Kings, P.E.I.):

Q. How long have you been acquainted with the present Minister of Militia?

Hon. Mr. REID: He answered that question yesterday; from his youth.

Q. Did you accompany the Minister to Europe in 1913?—A. No, sir, I am very seldom near the minister.

Q. Are you in the civil service now?—A. No, sir.

Q. Are you in the militia service?—A. I am working in the militia, yes.

Q. And you get the pay of major, or what?—A. I am working, but there has been nothing paid me since I started down here. I understand I am to be paid.

Q. Paid as a major?—A. I do not know what it will be.

By Mr. Kyte:

Q. I understood you to say yesterday that you were not to get anything for your services?—A. For my services on the Commission.

Q. Is it is customary for you to be working for nothing?—A. No, sir, and I cannot afford to do it either.

Q. Is it not rather extraordinary that you will work for nothing for this Militia Department?—A. Yes, I expect that I will be paid.

By Hon. Mr. Reid:

Q. You expect to be paid?—A. I do.

By Mr. Kyte:

Q. You expect to be paid for every hour of your time?—A. I certainly do.

Q. Yet you stated yesterday you were not going to get any pay for your services?—A. That was on the Commission.

Q. And for all this work of buying in connection with the purchasing of the various supplies, you get nothing from the Government?—A. No, sir.

Q. Are you under salary?—A. No, sir, I am not under salary. When this work came along Major Thomas and I were here, Major Thomas was looking after all the engineering work, and he asked me to take the other work and I did so.

Q. You are doing the assembling?—A. Yes.

By Hon. Mr. Reid

Q. You were not appointed by the department?—A. I was not appointed by the department.

Witness retired.

Major THOMAS recalled.

Mr. CARVELL: Before proceeding with the examination of Major Thomas, Mr. McQuarrie tells me that he thinks he made a statement yesterday which was misunderstood and he would like to have an opportunity of explaining it to the committee.

Mr. MCQUARRIE, recalled.

Mr. MCQUARRIE: I wish to say, Mr. Chairman, that when these bodies came in first, I was here and when they arrived at the shop I looked at them and found that

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they were narrow and because of that I thought they were not fit for the Canadian contingent. If I said they were not worth a hoot in hell, I did not mean it in that sense that they were useless; I did not mean that at all, I meant that they were not suitable for the service for which they were required. I think several members here took me up on that owing to a wrong construction being placed upon the expression I used.

By Hon. Mr. Reid:

Q. Are these bodies, to which you are now referring, equal to or better than the sample sent here?—A. I think they are better, but they are not fit for the use for which they are required.

Q. They will fit a 3-ton truck?—A. Yes, they will fit a 3-ton truck, but they are not suitable for the use for which they are required. They are all right for the French War Office, who require that size of body.

By Mr. Kyte:

Q. Do you believe the French Government would buy them?—A. I believe they have bought worse.

Q. Have you heard of a man being executed in France for selling bad goods to the government?—A. I have heard that.

By Hon. Mr. Reid:

Q. But I understand that these are a better lot than the sample?—A. I would consider they are better than the sample.

By Mr. Sharpe (Ontario):

Q. You received a commission from Wylie, did you get a commission from the other company?—A. No, sir, not five cents. I got a commission from the Russell Motor Car Company for the cars I sold previous to the time I was appointed on the Commission.

Q. How many cars?—A. Eight and eight, eight large and eight small.

By Hon. Mr. Reid:

Q. But that was previous to the time you went on the first commission?—A. Yes, but since I have been on the Commission I have not made five cents commission on what was sold to the Government.

By Mr. Carvell:

Q. He says he sold eight and eight cars to the Government and made a commission on it, that was prior to the 14th of August, and that since the 14th of August he has made no commission?—A. That is right.

By Hon. Mr. Reid:

Q. Then you have made no commission since you have been on the Commission with Mr. Russell?—A. Absolutely none, sir.

By Mr. Sharpe (Ontario):

Q. Were you drawing any pay from the Department during the period from August to December?—A. No, sir—I drew it from the Government when working at Valcartier.

Q. And before entering the Russell Company you managed a garage?—A. Yes.

Q. And you drove a car yourself?—A. Yes.

Witness retired.

Mr. J. H. McQUARRIE.

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Major THOMAS, recalled.

By Mr. Carvell:

Q. You have intimated that you can give some information about the boring of these wheels, what do you know about it?—A. When the price was made by the Kelly Company of \$2,550, they gave us the option of buying them either with or without the tires. The price for the tires they stated was \$247, this included the boring of the wheels and putting on the tires, which they do not do themselves, but it is done for them at Akron by the Firestone Company, the same company which supplies steel rims to the Dunlop Company that supplied the greater part of the tires to us. I took it up with the Kelly Company and asked them if they could bore the wheels for us and I found they were not equipped to do it, but offered to get the wheels bored. This would involve the shipment of the wheels to Akron, and as they had to be taken off in any case in order to put the tires on when they came here I found it was better, while the wheels were off, to bore them ourselves, and put on the tires after they arrived here; that was why we preferred to do it here. This was done without the knowledge of Major McQuarrie, he did know anything about it until it had been decided that the wheels would be bored here. There is a little argument between the Department and the tire companies on this side that they should stand the expense of putting the tires on. This arose from the fact that the order for the tires was placed by the sub-Committee of the Cabinet who were, perhaps, not familiar with all the details, and were not told by the tire companies that they had undertaken to meet the prices and conditions of the American manufacturers, which was the condition they were given the tire order on. That is still up with the tire companies, and, as far as I am concerned, the tire companies will pay the bill.

Q. That will be \$6 per car?—A. Approximately \$6 per car.

Q. Just explain what you mean by boring?—A. It is boring the felloe of the wheel. The wheel has a felloe; I can perhaps illustrate. If this is the wooden felloe of the wheel (illustrating) it is surrounded with an iron felloe or band, very much like a wagon wheel. Now the tire has to be fastened on to that perfectly plain band. The tire is slipped over it and held in its place by the flange, then it is bolted with bolts which go through from one side of the wheel to the other. The drilling of the holes has to be very carefully done; it is very important. I could have very easily shipped the wheels to the tire companies here, but they were not properly equipped to do the work carefully, I know from experience that it is an extremely difficult operation to have fifteen holes drilled in the wheels and have them all come out correct on the other side. I do not think we could have got the same results from the tire companies in Canada, otherwise the wheels would have been shipped to the Canadian tire companies for drilling.

Q. What proportion of the wheel is wood and what proportion metal?—A. The entire wheel is wood except the binding, the hub, and the iron felloe.

Q. It is simply a question of boring holes in the wooden wheel?—A. It is a $\frac{1}{8}$ the hole, for a half-inch bolt through five inches deep on the felloe on the front wheel for a single tire and about $10\frac{1}{2}$ inches deep on the felloe of a wide wheel for a double tire.

Q. Would you consider that an extremely difficult process?—A. No, but it is a process that requires a great deal of care, especially for war purposes; they have to be so accurate that you can take any flange and put on that wheel. It has to be interchangeable so that it will go on easily for the reason that you cannot stop when on the field, to find the holes so that it will go on. We use a $\frac{1}{8}$ drill and we drill it through a jig, from both sides. It is a work requiring extreme care and is of an important character; it is a job that you cannot hurry.

Q. It is important to see that you drill straight, and that you properly divide up the perimenter of the wheel?—A. Yes, and that is the risk in giving it out, that is the reason

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it was done in Ottawa, because I am badly needed here, and I could not be in the tire companies town and here at the same time, it was necessary that there should be close supervision of the work.

By Mr. German:

Q. Have these wheels all been bored?—A. Yes, they are finished, and the price is approximately one dollar per tire. I have not the finished figures yet and therefore cannot give the cost accurately, but I know in the case of the Gooderich tire it will be less than \$1 per tire and with the Dunlop tire it will be a little more; we have had some difficulty in fitting tires, I rejected 100 out of 600 tires because they were not round.

By Mr. Carvell:

Q. Are different sizes of tires interchangeable on different wheels, the same as with pneumatic tires?—A. Yes, 38 x 5 tire will go on any car equipped for 38 x 5 tire.

Q. That is the same wheel?—A. No, it will go on any wheel.

Q. That is the same size?—A. The same size, yes.

Q. Now, were the wheels of the first Kelly, Springfield 38?—A. The Kelly, Springfield, for the First Contingent were of the 1914 model, and had the front wheels 38-inch, the same as the present, but the rear wheels were 42 x 5.

Q. But the front were 38 x 5?—A. Yes.

Q. Now take the second lot?—A. In the second lot the fronts were 38 x 5 and the rears were 38 x 5, they were dual, that probably is my fault because I insisted on having the one tire otherwise there would have been difficulty arising from the use of different sizes of tires on the same car, especially on active service; I insisted upon their being interchangeable.

Q. I do not know that would be a reason for blaming you?—A. I mean that I am to blame for the fact that they are interchangeable.

Q. It would be a subject for credit rather than blame. What would be the difference in cost between a rubber tire 38 x 5 and one 42 x 5?—A. About \$8, I can give you the exact figures at the next sitting, I will make a note of it. I would like to say in this connection I think perhaps you have some figures that are wrong because Mr. Russell has gone through his accounts and has corrected the price of some of these tires.

By Hon. Mr. Reid:

Q. You mean the prices that have been paid?—A. Yes, I think very likely the figures you have are wrong, because some of them were given before Mr. Russell corrected the prices.

By Mr. Carvell:

Q. It is not another case of Powell, is it?—A. Oh, no.

Mr. KYTE: I understand that they have made restitution.

By Mr. Carvell:

Q. That would be \$8 a wheel, or \$32 a set with the tires, that the first lot should have cost over and above the tires of the second lot, other conditions being equal?—A. Yes, it is about that. I will give you the exact figures, and how they are figured. The prices are not a question of shopping or getting prices, there are absolutely fixed prices between all the companies the question is what discount you get off. I will give you the list.

By Hon. Mr. Reid:

Q. About the 150 bodies that are here, I understood from Mr. McQuarrie that the bodies that have been made, they are said to be for 2-ton trucks, were made from a sample that was brought here on your order?—A. Yes, I have the correspondence here.

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Q. The sample was brought in on your order?—A. The sample is not like the one that was ordered.

Q. No, I admit that; there is one that has been ordered, that I have been informed has been made stronger and better than the sample; is that true or not?—A. It has been made stronger in some respects. In other respects it is different wood, it may or may not be stronger. The sizes are greater, but in some cases they are soft wood instead of hard wood.

Q. Have you a copy of the specification of that body with you?—A. I have a copy. I think you should get it from Col. Hurdman, because it is his specification and not mine.

Q. According to this specification the body is separate from but is to rest on the chassis, and is to be interchangeable with the body on any other similar chassis; the sills, bunk and stakes of the body are to be good quality white oak; do you know if that was carried out in those?—A. Yes.

Q. Throughout the contract for the 150 it was carried out according to this specification?—A. I have only seen the bodies of two makers out of three. The contract was divided by the sub-committee of the Privy Council into three, and the Oxford Motor Co., of Montreal, was given an order for 72 or half, which have not been delivered.

Q. Those you have seen?—A. Yes; the quality of the wood there is no question about.

Q. The bottom boards are to be of a good quality of white ash or oak; was that in those that you did see?—A. Yes.

Q. Secured to the cross-beams by suitable screws, the side and end boards are to be of good white pine or British Columbia fir; and to be secured to the stakes by steel bolts; was that done —A. No, that was not done. In some cases, as the bodies supplied by Massey-Harris, they were riveted instead of bolted.

Q. But the white pine or British Columbia fir was in?—A. Yes.

Q. The reason I ask you that is that Mr. McQuarrie stated that it was very inferior lumber that was put in those bodies, and I wanted to know if the specification were carried out by the contractor?—A. It is not inferior white pine. It is white pine.

Q. It is not poplar wood?—A. No, it is white pine.

Mr. CARVELL: Poplar would be away ahead of white pine for this kind of thing.

Hon. Mr. REID: Oh, no, poplar would not be suitable for this.

Mr. CARVELL: I would ten times rather have it than white pine

By Mr. Blain:

Q. The variations from bolting to riveting, would that be much?—A. For ordinary service it would probably be better, but for war services it would not, because it does away with the possibility of quick repair.

Q. It is stronger?—A. It is stronger, but it does away with the possibility of quick repair which I consider vital.

By Mr. Sharpe (Ont):

Q. Did you pass on these specifications?—A. No, I never saw them until the bodies arrived, or till they were about to be shipped.

Q. How many of the Montreal order of 72 were delivered?—A. They have not delivered any.

Q. Have any steps been taken to cancel that order?—A. No.

Q. They are not suitable, those bodies, for the purpose?—A. If they are according to this specification, and I suppose it is a question for someone to decide whether they must be taken.

Q. They have not delivered any yet?—A. No.

By Mr. Carvell:

Q. If you were drafting a specification for a motor truck body to be used either for commercial purposes or for war purposes would you put either white pine, British Columbia fir, or poplar in those bodies?—A. Not on the sides, no

By Hon. Mr. Reid:

Q. You would not put any of the three?—A. White pine, British Columbia fir, or poplar?—A. No, I would not put them in the side, and I would only put them in other places on special parts; for instance, in the body I am proposing now I am using British Columbia fir for the sills, that is the longitudinal sills, because the longitudinal sills are about twice as large as they need be, so that they could be used either this way up or the other way up (illustrating the reversing of the sill) to make them interchangeable. Being much larger than normal they would be very heavy in oak, and plenty strong enough in British Columbia fir.

Q. Do I understand you to say that in a body you would not use white pine, British Columbia fir, or poplar, in the sides?—A. No.

Q. What kind of lumber was named in the specification according to the sample from which the specification is made?—A. I think that they were white pine.

Q. White pine?—A. Yes, but the sample body was brought here, (if you look at the report I gave you you will see) it was delivered to Colonel Hurdman, and it was to have certain improvements.

Q. You were the expert; did you tell Col. Hurdman to put different woods from what are in the specifications?—A. I was not in the employ of the Government at that time in any way whatever, or for a month after.

Q. When these specifications were made?—A. When these specifications were made.

Q. When are they dated?—A. December 14th.

Q. You were not in the employ then?—A. No, I was here as a member of the committee.

Q. As a member of the committee were not the specifications submitted to you?—A. No.

Q. Did you not see the sample body?—A. I saw the sample body.

Q. Did you not order the sample body to be sent here by express?—A. I ordered it to be shipped to Col. Hurdman, and Col. Hurdman was to make a military job, and straighten it out in a great many respects, and it was then left to Col. Hurdman to do.

Q. You did not tell Col. Hurdman then to make any changes for his specifications from that sample?—A. No, I did not tell Col. Hurdman anything. Col. Hurdman dealt with the committee as a whole. Col. Hurdman was before the committee, and he explained that he could make a very much better body than that, and showed us the wagons and their details, and the carts and many other things, which impressed us as being very much better than the sample.

Q. With that opinion of yours, that the sides should be of different wood, did you tell the committee or Col. Hurdman that?—A. I don't think the details of that were discussed with the Committee.

Q. You did not communicate that information to Colonel Hurdman or the Committee?—A. I don't think I would discuss that.

Mr. CARVELL: One would not think it was necessary to give it to the committee.

Hon. Mr. REID: As the expert with the committee I would consider that he would give it to the committee.

Mr. CARVELL: A man with horse sense would know that you should not put white pine in the side of a motor truck.

Hon. Mr. REID: But as I understand, Major Thomas was a member of the committee and that he was an expert in this kind of work, and that they were going to order new bodies.

The WITNESS: I am not an expert in the wood part of it at all.

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By Hon. Mr. Reid:

Q. But you were an expert in motor trucks?—A. Yes.

Q. And being an expert, and on the committee, you never suggested to the members of the committee or to Colonel Hurdman that other woods should be in, although that was your belief; that is as I understand it?—A. I know that in a great many parts the sample is not white pine. I believe that the sides are white pine. I did not examine them closely. I might take for granted that Colonel Hurdman, being inspector of carriages, and having that part of the interest in view, would keep it straight.

Q. Then you did not give Colonel Hurdman the benefit of your experience?—A. I gladly would have done.

Q. But you did not?—A. No, it was not discussed.

Q. And you did not think it was necessary to do so?—A. Up to that day I had never seen Colonel Hurdman. He was brought there as the expert of the department in that particular department.

Q. No matter whether you ever saw him, do I understand you to say that as a member of the committee, and being an expert in trucks, you did not consider it necessary to give any suggestions whatever to Colonel Hurdman?—A. No, I don't say that at all. If I had noticed that the sides of that sample were soft wood I certainly would have objected.

Q. You did not notice it at the time?—A. No.

Q. You looked it all over?—A. It was painted.

Q. On both sides?—A. Oh, yes.

Q. And you could not tell?—A. Could not tell without cutting it. My understanding was at that time that Colonel Hurdman would submit to the committee proper specifications and proper drawings. That was never done.

By Mr. Sharpe:

Q. Have you seen any of the bodies that were manufactured, the finished bodies?—A. I have.

Q. What fault do you find with them, or do you find any fault?—A. I would not find any fault with them at all for ordinary use. For military purposes, apart from their not being wide enough, I don't think the manufacturers have realized (and I don't think that perhaps they were specially instructed in that particular point) that it was necessary to make them strictly interchangeable. They are not strictly interchangeable. They are good bodies.

Q. Are they according to specifications?—A. No, they are not.

Q. Then it is the manufacturers fault and not the department's?—A. Well, they vary, I should say, in quite important details from the specification.

By Hon. Mr. Reid:

Q. Did the committee give any instructions in writing to Colonel Hurdman?—A. None whatever.

Q. Was there any correspondence or writing about this?—A. As far as I am concerned the bodies should not have been a question for discussion until the trucks were decided on. A White truck takes a 13 foot body; a Kelly truck 12 foot body; a Packard truck a 12 foot body; and it was impossible, as I will show you by correspondence here, for me to give an opinion on either bodies or tires until I knew what trucks they were for; and the specifications were written and stamped and dated long before we knew what trucks we were going to buy.

Q. Is it not a fact that those bodies now will fit any of those trucks except that they are a little smaller?—A. No, it is not.

Q. I mean the Kelly?—A. No, they will not fit the Kelly truck, because the cross-frames or bunks come in such relation that they are in the way of the wheels. The first thing that I would have done if I had been in Col. Hurdman's place, or it had been put up to me, would have been to have made a drawing of the chassis, and to make the body fit it.

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By Mr. Carvell:

Q. Does the body interfere with any of the machine or the shafting?—A. It does not interfere, but the trap door of the body is in a position for a Packard truck and not for a Kelly truck.

Q. It ought to be over the rear axle?—A. It is about a foot from the place where it should be. I do not think, when the bodies were ordered or Col. Hurdman wrote the specification, that it was possible for anybody to write one right, because we did not know what trucks they were for.

Q. What is the proper length of the body of a Kelly truck?—A. 12 feet.

Q. What is the length of the bodies that were made?—A. 12 feet.

By Mr. Sharpe:

Q. In what essential features do the present bodies differ from the specification?—A. The Massey-Harris bodies have rivets instead of bolts.

Q. That is not very essential, is it?—A. Well, it is essential for war purposes, because the principal feature of anything for war use is that it shall be instantly interchangeable with the repair part, and that would not be so in this case. Some parts supplied by the McLaughlin Co. were malleable iron instead of forged steel. The tarpaulin supplied by the McLaughlin Co. was highly inflammable, and it is specially mentioned here that it should not be.

By Mr. Sharpe:

Q. What kind of tarpaulin does the specification call for?—A. The canvas is to be thoroughly waterproof; if waterproofing composition is used it must not be applied as a superficial coating. The canvas parts must not be liable to spontaneous combustion when in store. And that is certainly not so in McLaughlin's.

By Mr. Carvell:

Q. Is there any difference in the cost of the covering as furnished compared with the covering required by the specifications?—A. The specifications are rather ambiguous on the quality; I don't think it mentions the weight at all.

By Mr. Sharpe:

Q. Is that all?—A. Those are the main points. Then taking the drawings as part of the specification, the drawings of the sample body showed uniform width boards on the floor. McLaughlin's is supplied with random width boards, some of them only 4 inches wide.

Q. The previous witness, Major McQuarrie, stated that the boxes or the tops were not in accordance with the specifications; he told us in what they differed; whose duty was it to inspect those tops when they were delivered—those bodies; was it your duty?—A. No, it was supposed to have been my duty. In the middle of January I did not know that those bodies were ordered, and at that time when I made the arrangement with the Department it was my intention and my understanding that I was to inspect them. At that time they were already made, and I think were inspected by Col. Hurdman.

Q. How many had been delivered?—A. 72.

By Hon. Mr. Reid:

Q. Is it a fact that there are negotiations going on for the disposal of those?—A. Yes.

Q. And you expect to dispose of them without any loss to the Government?—A. There is no difficulty in disposing of them for the French trucks. The Kelly Co. have offered to take them at the price we paid for them on the next order they get for the French trucks, and I know that I can make that arrangement.

Q. And there will be no loss on them?—A. No.

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By the Chairman:

Q. What demand is there for the French trucks?—A. The orders come along ever so often.

By Mr. Bennett:

Q. In the heavy wagons that were ordered by the Board of which you were, on the Committee, did not the specification provide for white pine on the sides?—A. I think they did. I had nothing to do with the details of the wagons.

Q. You are a member of the Committee?—A. I am, but my special work has been the mechanical part of it, the chassis work.

Q. Are you aware that for that order they were white pine sides?—A. Yes, but the work is not nearly as heavy.

Q. Still, they were very heavy wagons, calculated for heavy loads?—A. I think that the thickness of the boards on the wagon which carries one ton is exactly the same as the thickness of white pine on the truck which is supposed to carry three tons.

Q. White pine was called for on the heavy wagons?—A. Yes, and it is called for in this specification. I think that is a matter of opinion. I know nothing whatever of Canadian lumber.

Q. I know that the Tudhope Co. furnished white pine at \$70 a thousand; would not that be good lumber?—A. I would not be qualified to say. If it was English lumber I could give you an opinion on it partly, but it is entirely out of my line.

By Mr. German:

Q. Are you of English birth?—A. Certainly.

Q. You were employed especially as an expert, on this Commission, in motor trucks?—A. At the time the Report was made out I was not employed at all.

Q. You were put on the Commission especially as an expert in motor trucks were you not?—A. Yes, I was.

Q. You know very well that your associate members on the Committee are not experts in motor trucks?—A. I know that they are much more expert than I am on the body question.

Q. They are more expert in the body question than you are?—A. Surely.

Q. Still, you were recognized as a special expert for the Committee?—A. For the machinery part strictly. I would consider that Senator Taylor, being an old carriage builder and so on, knew very much more than I would ever try to know on the wood part of it, and I would not butt into that part of it. Besides that, we called in Col. Hurdman for his experience in that part.

By Mr. Boys:

Q. Col. Hurdman, according to your testimony, passed bodies that were not in your opinion suitable?—A. That is my opinion. He is at the same time, I would say, much more competent to judge wood than I was, but when it comes to figuring whether wood is competent to hold three tons, then there is some engineering in it.

By Mr. German:

Q. What compensation are you receiving now for your services?—A. I am receiving $1\frac{1}{2}$ per cent for the inspection and engineering, and out of that I pay all my own expenses.

Q. At $1\frac{1}{2}$ per cent on what?—A. The entire bill, is something like \$9,000.

Q. The entire bill for what—you mean for trucks?—A. No, my entire bill at the end of the time.

Q. You receive $1\frac{1}{2}$ per cent commission—commission on what?—A. Commission on the purchase.

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Q. Of motor trucks?—A. Yes.

Q. Commission on the purchase of motor trucks and tires?—A. Yes.

Q. And what else?—A. I can give you the exact contract.

Q. Have you a written contract with the department?—A. My appointment is a question of an Order in Council, and I have a copy, I think, of the Order in Council.

Q. Let us have it?—A. If I haven't it, I am sure Gen. Hughes would be glad to get it.

Q. There is an Order in Council?—A. Yes, that is dated January 29, 1915, long after this question of bodies.

Q. Your employment began much earlier than this?—A. No, it began after that. I was a member of the committee before that.

Q. That is what I meant; your engagement in some way whether on salary or otherwise began long before this Order in Council?—A. That I think I can give you, in the form of the correspondence.

Q. Does it cover all you were to get in the way of remuneration?—A. Yes.

Q. The letters "W. O. T." at the bottom mean W. Owen Thomas, I suppose?—
A. Yes.

By Hon. Mr. Reid:

Q. You pay expenses of any employees you get to do this?—A. Yes.

Q. This is the letter you refer to, dated 29th January, 1915?—A. Yes.

"January 29, 1915.

To Surgeon-General Eug. Fiset, D.S.O., C.M.G.,

Deputy Minister,

Department of Militia and Defence.

SIR,—The report of the Committee of the Privy Council, dated December 15, 1914, provided for the purchase of motor driven transport equipment tabulated below.

For 1½ per cent of the cost of this apparatus, I have undertaken to do all engineering and inspection both of the parts and of the finished apparatus, including superintendence of the assembling of the bodies, tires and special equipment of the chassis when all the parts are delivered here:—

150 trucks chassis at \$2,550..	\$382,500
300 spare tires at \$247 per set of 6..	12,350
150 sets spare parts at \$240..	36,000
141 transport bodies at \$168..	23,688
6 tool bodies at \$300..	1,800
12 workshop bodies at \$3,500..	42,000
25 motor cycles at \$313.50..	7,837
30 motor ambulances at \$3,200..	96,000
11 motor cars at \$2,000..	22,000
	<hr/>
	\$624,175

One and one-half per cent of \$624,175 is \$9,362.62. Please provide for this an Order in Council.

I have the honour to be, sir,

Your obedient servant,

W. O. T."
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Q. Have you anything in writing showing the nature of your duties in detail?—

A. Yes, my letter to Surgeon-General Fiset of 16th January, 1915, gives details. It is as follows:—

“January 16, 1915.

To Surgeon-General Eugene Fiset, D.S.O., C.M.G.,
Deputy Minister, Department of Militia and Defence,
Ottawa.

SIR,—Supplementing my letter to you of to-day's date, I came to Ottawa on November the 16th in response to a telegram sent me by General Hughes to report to him on November the 16th.

I had previously during August, September, October and November examined at my own expense eighty-four plants in the States manufacturing motor trucks, motor cars or parts to ascertain first hand exactly the condition of these plants, the quantities of materials on hand and the output each one could contribute to the demands created by the war. My brother in England had made a similar investigation, so that when I arrived in Ottawa I was in possession of all data and prices of available transport equipment in both England and America.

I had further, through my own men in England and France, carefully investigated the mechanical troubles with the equipment already at the front and reported to the Transport Committee and the department even the troubles which the Canadian Contingent were having at Salisbury. A cable was sent to Colonel Carson, and his reply together with subsequent information from other officers has corroborated every claim that I have made. I claim that my previous experience and the work which I did prior to November 16 has been very necessary to the success of the work, and that it was the knowledge which I brought here that made a saving possible.

Since November 16 I have as a member of the Transport Committee constantly advised them and assisted in dealing with the representatives of the various truck manufacturers.

Since November 16 I have left Ottawa but once for three days to ascertain what parts were available for the assembling of trucks in Canada the details of which work were I think plain to Premier Borden as well as the Minister of Militia.

The trucks just being purchased are at a price of \$2,550, while the same size trucks with the First Contingent average \$3,393 each, making a saving of \$843 per truck. The saving in all other equipment will be at least in the same ratio.

Apart from the saving the standard of the equipment has been very much raised and the maintenance will be very much decreased.

The tires are now all being supplied in Canada at the same price quoted in the States, and much work has been done towards the making of a large per cent of the truck parts possible in Canada.

I have the honour to be, sir,

Your obedient servant,

W. O. T.”

Q. You appear to express yourself through this correspondence as being an expert in the whole outfit practically, and notwithstanding that you allow bodies to be made which you now say are not proper for the work. Is that so?—A. I say nothing whatever about them.

Q. You are an expert on the whole thing, and you ask one and a half per cent on \$600,000?—A. I would gladly have written the specification for the bodies, and at
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the time of writing I did not know that a specification was in existence or that the order had been passed, it was my intention—

Q. Have you the Order in Council?—A. I have not.

Q. You have said that you were not in a position at the time the specification was prepared to say what kind of body would be required, because you even did not know what trucks would be purchased?—A. That was true then, and that is true at this time.

Q. And as an expert, employed in that capacity, and getting this commission you are asking for, do you not think it was your duty to advise the Department, or Colonel Hurdman, that until you knew what kind of truck was to be purchased it wasn't wise to make a specification for the body?—A. I had nothing whatever to do with the specification, I did not know that the Department were ordering these bodies.

Q. You have already stated that Colonel Hurdman was preparing specification?—A. I said that I did not know he was.

By the Chairman:

Q. Who were the bodies ordered by?—A. The bodies were ordered by Mr. Brown, on order from Sir George Foster to General Fiset, and, as a matter of fact, they were ordered from different firms recommended by the Committee.

By Mr. Kyte:

Q. When you saw that these bodies were not up to specification and not suitable, why did you allow them to be taken over?—A. I know they are not suitable, at that time I had not seen the specification.

Q. Did you take any steps to prevent the Government accepting these trucks?—A. Yes, I immediately wrote to General Hughes.

Q. You immediately wrote to General Hughes?—A. Yes, but at that time I think Colonel Hurdman had accepted them.

Q. Will you please turn up that letter?

By Mr. German:

Q. You were recommended or introduced to Colonel Hughes by Colonel Morgan of the British Army?—A. I was introduced to him by Colonel Morgan, but General Hughes made full investigation and consulted the cabinet with reference to the matter before my appointment.

By Mr. Kyte:

Q. Who was Colonel Morgan?

Mr. GERMAN: He was formerly in the British Army, but was cashiered by reason of his connection with the Lipton Tea scandal?—A. I do not know anything about it, I do not know.

Q. You do not know that?—A. He was one of many who were present at the time, I knew him very little indeed.

By Mr. Kyte:

Q. What was he doing in New York at the time?—A. I do not know, he called me up, knowing of a report I had made to the British Government, and asked me if I would give him a copy to send to General Hughes. I promised him I would. Before I gave him the copy he called me up and said he had heard that General Hughes was to arrive in New York that day, and asked me to loan him my car to go to the boat to meet General Hughes and I said I would. When the time came I drove the car myself and I told General Hughes that I would give him a copy which I did the next day.

Q. Does Colonel Morgan belong to the active military force today?—A. As far as I know.

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Q. You do not know whether he does, or what he is doing?—A. No.

Q. At whose instance did you make a report to the British Government?—A. To Captain Critchly, at the suggestion of Sir Arthur Herbert, who belongs to the Foreign Office. I have done more or less work of a secret nature in New York for Sir Arthur Herbert, who asked me to get that information, with some other information, which I did.

Q. Who is Sir Arthur Herbert?—A. He is a diplomat, who was sent by the British Government to New York at the beginning of the war upon some business, he is a public man.

Q. Will you give us your report to the Minister protesting against these bodies being accepted?—A. The Minutes of the Committee will show my protests.

Q. But I would like to get the letter you wrote to the Minister protesting.—A. As a matter of fact I may have reported to him personally, but I have the Minute, the date was the 2nd of March.

Q. You had better get the letter and let us have it.

Q. So, Major, you have been in the employ of the Government since the 16th of November?—A. I have been a member of the Committee.

Q. In your letter to General Fiset, which was read, dated the 16th November, you stated that in the course of your employment you did some work in the United States?—A. I claim they were getting the benefit of the work I did.

Q. You really entered the service of the Government in November?—A. Yes.

Q. That is about four months ago?—A. Yes.

Q. And your services have cost the Government about \$9,000?—A. Not yet.

Q. Your bill for services on the basis of 1½ per cent amounts to \$9,000?—A. That includes steamboat fares to England and several other things.

By Hon. Mr. Reid:

Q. Why did you not say that included travelling and other expenses.

By Mr. Kyte:

Q. What does the \$9,000 include?—A. It includes my services, my brother's services, and the services of four employees who have been entirely on this work. I brought my brother from England to Ottawa for the work, and I sent him to England after the war started to do that part of the work.

By Hon. Mr. Reid:

Q. And all travelling expenses as well?—A. Yes, I am making nothing out of it. I will gladly give an account of it at the end.

By Mr. Kyte:

Q. And the country is not making anything out of it?—A. The country is making \$550.00 per Kelly truck out of it; that is the difference between 10 per cent off, which is as low as any Government has ever bought at before, and 25 per cent off which I bought the truck for.

Q. There would not have been that saving if the Government was capable in conducting its business?—A. The Government was not capable of getting that discount, and at that time no Government could do so.

Q. You mean to say that by virtue of your knowledge and experience you were enabled to get 25 per cent discount that no Government could have got?—A. No Government could have got it, there was only one Government that has ever got that discount.

Q. And what government was that?—A. The French Government.

By Mr. Hughes (Kings, P.E.I.):

Q. Do you say it was not possible for the British Government to obtain the services of a man as capable as yourself?—A. The British Government can, I have offered to do

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that work for the British Government, but the British Government insist on buying in London, and in buying American goods in London, they are under the thumb of several firms, whose names I can mention, who monopolize the American goods in London. If you care to ship the trucks and take the war risk to London you might sell them, but they will not buy in New York.

Q. And the British Government did not care to accept your offer?—A. The British Government acted on a great deal of my information.

Q. But they did not accept the offer of your services?—A. They have saved a good amount in their purchases.

By Mr. Carvell:

Q. Did you personally inspect the assembling of all these trucks?—A. I did, every one of them, and I tested every one of them both for speed and load; either I did or my brother did.

Q. Did you inspect the manufacture of tires or simply inspect them after they were manufactured?—A. I inspected them here.

Q. That is an article that could be inspected here?—A. Very easily, but the parts of motor trucks all have to be inspected before the trucks are assembled. With reference to inspection I may say that I have shipped back to the Dunlop Company 61 out of 600 tires.

By Mr. Blain:

Q. Will you give us an explanation of what you and your brother really did in the inspection of one of these trucks?—A. With all of the trucks we rigidly refused to have different models of anything, for instance the magnetos were of two models, of the same make.

Q. Who detected that?—A. We detected it. The terminals of one model of magnetos were not interchangeable with those of the other. They were all right for ordinary commercial work, that would not matter, but if you wanted to change them in the field you could not do so, because they would not instantly go into place; we detected that half of the trucks were a model which had radiator connections one inch shorter than those in the other half. Insisting on having all the parts interchangeable, this insures that any part from any one truck can be utilized upon any other truck in case of necessity. In another case the hoods over the engines were not interchangeable.

Q. Did you detect that also?—A. Yes, and there were at least a dozen things of that nature which we detected.

By the Chairman:

Q. And were these defects corrected before the trucks were accepted?—A. Before they were accepted, every one of them.

Q. At the manufacturers expense?—A. Absolutely.

By Mr. Carvell:

Q. Do you mean to say that you personally inspect every magneto, every transmission, every rear axle—well, the inspection of the rear axle of a motor truck would be easy to make?—A. Yes, it is.

Q. Did you inspect all of these parts yourself before they were assembled?—A. Oh, no, but they were inspected either by myself or my brother. We have tested every unit before it was put into the truck, we have gone over the parts with fixed gauges, and rejected the parts that did not fit, and finally we have driven every truck.

By Mr. Blain:

Q. You have driven every truck?—A. Every truck.

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By Mr. Carvell:

Q. Have you inspected the engines?—A. Yes, we have inspected every part of the truck.

Q. Have you taken the engine apart, or did you inspect them simply by operation?—A. We inspected them before they were put together, and after they were running, and if they did not give the proper power or work with the proper quietness they were rejected or taken down, assembled again, and finally accepted if they did pass the test.

Q. As a matter of fact you keep a man at the factory, is that the idea?—A. I or my brother have been with the truck from start to finish.

Q. Do you keep a man at the factory?—A. Absolutely, all the time.

Q. That would cover a long time?—A. It is a question of about two months.

Q. Then they come to Ottawa, what do you have to do after they come to Ottawa?—A. When they come to Ottawa they are just the plain chasses, the sills or the frames are of a U-section of steel; they had to be filled in with an oak block driven in and bolted through so that the body can be properly fastened to them; under the British War Office specifications the corners of them have to be fitted with towing hooks, which are not part of the standard chasses, and is strictly an army addition; they have also been fitted with rifle racks, and tested to see that there are not air locks in the gasoline line; when an engine which stops for want of gasoline, it must start again by the addition of one gallon, that is the requirement of war service while the standard truck might take two gallons. These trucks have to be refilled from two-gallon cans in case of emergency and consequently that is strictly insisted upon. I would be very glad to take you down and demonstrate every part of it if the Committee would like to see it.

Q. You have employed how many men at Ottawa?—A. I can give you the exact figures, but we have an average of 20 to 30 men.

Q. That would be at your expense, would it?—A. None of it is at my expense.

Q. I thought it would be at your own expense?—A. I have just myself and my brother here.

By Mr. Kyte:

Q. Which member of the Board is it that inspects the woodwork, you stated that you only knew about the machinery?—A. I am a member of the Board, but the woodwork is inspected by Colonel Hurdman, the inspector of carriages, who has been here for years.

Q. You stated a while ago that Senator George Taylor, would be the expert regarding wood, as he is a carriage builder?—A. I did not say that at all, I would consider that he had a general knowledge of Canadian woods used in carriage building.

Q. When you speak of inspecting these different trucks, we have a Commission for War, would either of the members of that Board assist you?—A. No, I am doing that as a member of a firm, who for twelve years have been doing inspection all over the world.

Q. What are the duties of the other members of the Board?—A. To take all the bids that were submitted to them, to interview in the meetings the members of the firms that had trucks to sell, I think at one sitting they had nearly a hundred different makers of trucks represented.

Q. Then they are the purchasers of these trucks?—A. No, they are the advisory Board to report.

By Mr. Carvell:

Q. Who do they report to?—A. The Minister.

Q. Well, who is the purchaser?—A. The Minister of Militia passes it on, I think, to the sub-Committee of Council who do the purchasing.

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By Mr. Kyte:

Q. They recommend particular firms to whom the order should be given after examining their prices?—A. Yes, but their recommendation was not taken in this case.

By Mr. Carvell:

Q. Do you mean the recommendation of this Commission was not taken?—A. No.

Q. What did the Commission recommend?—A. The Commission recommended the buying of the parts of the Kelly trucks and assembling them in Canada.

Q. And the Government, or whoever was the responsible head, bought the finished article?—A. The sub-Committee of the Government gave tentative orders for one-third Packard, one-third White and one-third Kelly to be purchased on certain conditions.

By Mr. Kyte:

Q. What were the conditions?—A. That they would give the Government manufacturer's discount. The Kelly Company gave the Government 25 per cent off, the Packard 7½ per cent, and the White 20 per cent off.

Q. So that the Minister does not in all cases accept the recommendation of his experts; your recommendation was not accepted?—A. That is not true, he has accepted my recommendation.

Q. Not in all respects?—A. The Minister was in favour of all Kelly trucks, which I recommended, but the sub-Committee of Council were not.

Q. So that your recommendation about the purchase of these trucks was not accepted?—A. The recommendation for purchasing the Kelly trucks was accepted, but we recommended the purchasing of the parts and the assembling of them in Canada.

Q. And your recommendation was not accepted?—A. No, not as to detail.

By Hon. Mr. Reid:

Q. And it was not accepted in that respect for the reason that if they were purchased complete the manufacturers would be responsible for anything going wrong with them?—A. Partly for that reason, and largely because the time would not be sufficient to assemble them here.

By Mr. Kyte:

Q. Who was right in that matter? Was the Minister right in refusing to accept your recommendation with regard to that detail?—A. The Minister, I think, recommended what we recommended.

Q. When I speak of the Minister I speak of the Government, or the parties responsible for the work of the Department.—A. If you will state the question you want me to answer plainly, I will endeavour to do so.

Q. This is the point—you say that in one particular detail the Minister, or the Government, did not accept your recommendation, is that correct?—A. In what detail?

Q. As to the assembling of the Kelly trucks in Canada?—A. Buying them in parts? No, they did not do that.

Q. Was their decision or was yours right in that respect?—A. If you wish to go into that in detail I want to tell you that we made two reports; our second report said that as there was not sufficient time to do this we recommended that they be purchased finished.

Q. Then they accepted your recommendation in the end?—A. Yes.

Q. You have copies of those reports?—A. Yes.

By Mr. Carvell:

Q. If the committee had accepted your recommendation, in your judgment would the trucks have cost less than they are costing under the present arrangement?

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Hon. Mr. REID: You mean if they had been assembled here?—A. No, the cost would have been the same; the desirable feature of our first recommendation was to get the work done in Canada.

Q. And the Government's preference was to let the manufacturers finish them and save money?—A. The cost would have been the same.

Q. And the question of time would be considered?—A. Time was saved by letting the manufacturers supply the finished article.

By Mr. Blain:

Q. When you were appointed did the Minister, or anybody representing the Government, interfere with or cripple you in any way in your work; had you an absolutely free hand in the discharge of your duties for which you were being paid 1½ per cent?—A. I have had a free hand in the discharge of my duties in an engineering way, absolutely, and I am not paid for anything else.

Q. I mean you have not been interfered with in the discharge of your duties or in the work you are doing for the Government?—A. There has been no interference whatever; the only thing that did interfere was that the order for the bodies was placed before I knew anything about it, or before they knew what truck the bodies were required for that of course was a condition I could not have overcome.

By Mr. Fripp:

Q. What is the total sum you claim to have saved the Government by your services?—A. I will gladly make a tabulated statement showing the difference between those prices and the list.

Q. Let us have it?—A. You can have it based upon the difference between the present purchases or the saving below list. I gave the Minister a statement that it was about \$180,000. We have affected another very great saving that you perhaps have not gone into at all, and that is the price of repair parts. Any Government or individual or anybody buying trucks have always been faced with very heavy charges for repair parts. We have an agreement with the Kelly Company and we will have one with any other company from whom we may buy trucks, by means of a provision inserted in the contract that the price for the completed truck under the contract is the basis for the price of the units composing that truck. That is the price of \$2,550 for the Kelly truck is the addition of the price of each unit composing it, so much for the engine, so much for the transmission, and so much for each of the other parts, and that we can, at any time, get any of those parts at the original prices we paid for them without any addition.

Q. Whose recommendation is that?—A. That is my own recommendation.

By Mr. Carvell:

Q. That is if you wanted to buy the different parts of a truck and assemble them, you would only pay a price for each part proportionate to the total cost of the car. Supposing the car cost you \$2,550 and if you ordered 25 engines you would only pay for them at the same price which you would pay for them when included in the cost of the finished car.—A. We have already paid for repair parts of the Kelly \$572 when every other engine was costing us from \$900 to \$1,200.

By Mr. Boys:

Q. What would have been the difference hadn't it been for that special clause in the contract?—A. It would have been just about double.

Q. I understand that you have never set up the claim that you are an expert on woodwork?—A. I have never set up that claim because I am not.

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Q. And you would not put up your opinion against an expert like Colonel Hurdman as to the quality of Canadian wood?—A. Only to say that a certain article was not strong enough for a certain purpose.

Q. The only criticism you make in regard to these bodies was with regard to the width, and that rivets were being used instead of bolts, and what was the other criticism, I think there were three?—A. As far as using these bodies is concerned, the frames would have had to be raised five inches, and cross sills would have to be moved out of the way of the wheel.

Q. Is there anything else?—A. Some of the fittings were not of a military character, but still they were serviceable. The British War Office specifications in that respect are very stringent, and to comply with them would be a fairly expensive matter. I could not condemn them because they did not come up to the War Office specification, but having that specification we should live up to it. As a matter of fact when these were bought neither Colonel Hurdman nor anyone had any knowledge of the British specifications, which are ideal, but which they never live up to themselves. When the war broke out the British War Office bought things that did not come up to the specification, because they could not get them, but they have been trying since then gradually to bring them back to the standard. In some cases they have absolutely lived up to the detail. Since the return of Colonel Carson, who came over here to give us special information as to the needs on active service, I have been to a great extent swayed by the knowledge I obtained from him.

By Hon. Mr. Reid:

Q. And you had not that knowledge at the opening of the war?—A. No, we had not; we are continually getting further information, some of it comes every week.

By Mr. Boys:

Q. Notwithstanding all this you have made it pretty plain, I think, that these bodies can be disposed of without loss to the Government?—A. Well, the Government can, and is using some of them, and possibly will use more for other purposes.

By Hon. Mr. Reid:

Q. And they are quite satisfactory?—A. Absolutely satisfactory, the only question in this connection is that they are not interchangeable, and therefore are not fit for field work as laid down in the War Office specification.

Q. Are they any good for use at Valcartier?—A. Absolutely, they were just as good as any other for that purpose.

Q. Can they be used for other camps as well, like Petawawa?—A. Absolutely so.

Q. And they would answer for the other camps like Petawawa?—A. Yes, just as good as anything you could buy.

By Mr. Carvell:

Q. I thought they would not fit the chassis?—A. They have to have a 5-inch timber under them to raise them up; they would have to have that if they were bought new.

Q. You said a while ago that you would have to raise them five inches, one of the cross pieces would have to be moved forward a foot, which would leave an uneven space between them?—A. No, as a 5-foot body they will go down between the wheels instead of above them. They miss near enough to be useable, but if I widened them out according to the War Office specifications which I got—

By the Hon. Mr. Reid:

Q. But you do not have to do that now?—A. No.

Major THOMAS.

APPENDIX No. 3

By Mr. Carvell:

Q. Have they been paid for as far as delivered?—A. No.

By Hon. Mr. Reid:

Q. They have not been accepted from the manufacturers?—A. No, not as far as I am concerned.

By Mr. Carvell:

Q. It is not your province to either accept or reject?—A. I have not accepted them, and I don't know that the carriage inspector has.

Hon. Mr. REID: He has to O.K. the account.

The witness was discharged.

WILLIAM W. WYLIE called, sworn and examined.

By Mr. Rhodes:

Q. What is your business?—A. Gentleman at present.

Q. Were you a gentleman two years ago when that receipt was dated? What was your occupation at the time that receipt was dated?—A. I was president of Wylie, Ltd.

Q. What was the nature of your business?—A. Well, it was during my leisure time that I attended to the Wylie business, without any salary attached to it.

Q. Were you a shareholder in the company?—A. Yes.

Q. What portion of the shares did you own?—A. I couldn't say what portion; I owned about \$15,000.

Q. What was the capitalization of the company?—A. Somewhere about \$150,000.

Q. Paid up?—A. No, not paid up.

Q. Do you recognize this receipt?—A. I do.

Q. How much of that capital, the \$150,000, was paid up?—A. I couldn't tell you that.

By the Hon. Mr. Reid:

Q. Did you dictate the receipt?—A. I think I did.

By Mr. Rhodes:

Q. You paid \$50 per cent in cash?—A. Yes.

Q. Is the company still doing business?—A. No.

Q. What happened to the company?—A. Well, we decided to get out of business; we decided to discontinue.

Q. What return did you get for your \$15,000?—A. We have not got the return yet.

Q. You have not got any return?—A. We got some.

Q. Was this company in business on April 22, 1912?—A. Yes.

Q. What was the nature of the business at that time?—A. Oh, automobile sales agents, and trucks, repairs, accessories, and so on.

Q. You had a place of business here in Ottawa?—A. Yes.

Q. Were you a manufacturer at all?—A. No.

Q. What do you say as to this receipt?—A. It was a commission paid for sale of trucks.

Q. Do you recognize that receipt?—A. Yes.

Q. Was it given to you?—A. It was.

Q. You have personal knowledge of it?—A. Yes.

Q. Did you dictate the receipt?—A. I think I did.

Q. What do you say with respect to it?—A. It was a business transaction.

Mr. CARVELL: That is, according to the Ottawa conception.

Mr. WILLIAM W. WYLIE.

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By Mr. Rhodes:

Q. This receipt reads:—

April 22, 1912.

Received from Wylie, Ltd., \$12.00 for my influence with Col. Sam Hughes, Minister of the Department of Militia and Defence, in securing an order for **three Gramm trucks**. This is in accordance with our agreement made with your company February 19, 1912.

(Exhibit No. 1.)

(Sgd.) J. H. McQUARRIE.

Does this receipt properly record the understanding with Mr. McQuarrie?—A. It does.

Q. Give it to us in your own words?—A. We agreed to give him a 10 p.c. commission on the sale of three trucks, not particularly to the Militia Department but to any firm.

Q. Why does this receipt say "For my influence with Col. Sam Hughes"?—A. Well, any person that gets business must necessarily have some influence.

Q. Did Mr. McQuarrie represent to you that he had peculiar influence with the Minister of Militia?—A. He represented that he was in the business of selling trucks and motors cars.

Q. Did he represent that he had special influence with the Minister of Militia?—A. I don't know that he did.

Q. Will you say that he did not?—A. I will not.

Q. Do you attach any particular significance to those words, "my influence with Col. Sam Hughes"?—A. Not particularly.

Q. Was the receipt read over to Mr. McQuarrie? Did he read it?—A. Well, that I can't tell you. He signed it.

Q. And you affirm positively that he made no personal representation that he had particular influence with Col. Hughes?—A. I have no reason to say that he did.

Q. Would have placed those words in that receipt if those three trucks had been sold to an ordinary corporation?—A. I might and might not.

Q. Do you attach any more significance to their being included in a receipt referring to the Minister of Militia than you would to a sale to a private individual or to a corporation?—A. Not at all.

Q. I see reference here to an agreement made with your company February 19th, 1912; have you that agreement with you?—A. I have.

Q. Before I come to this agreement itself I wish to ask in respect to this receipt, how is it that the receipt is not in your custody at the moment?—A. That I can't tell you.

Q. Did you send it to any person?—A. No, sir.

Q. How does it come not to be in your possession?—A. It was filed on the files, and it must have been stolen or taken by some of our employees.

Q. The agreement referred to in this receipt is a copy of a verbal agreement; the original; I assume, should be with Mr. McQuarrie?—A. Given to him.

Q. Do you say this is a copy of the agreement referred to in this receipt?—A. I swear it is.

Q. I will read it:—

J. H. McQUARRIE, Esq.,
38 Edna Ave.,
Toronto, Ont.

OTTAWA, February 19, 1912.

DEAR SIR,—Confirming your verbal arrangement of even date in view of your having secured an order ready for us to sign up for three Gramm Trucks we agree that as soon as order is signed and deposit paid by responsible firm we will pay you 10 per cent commission.

Yours very truly,

WYLIE LIMITED,
Per:

(Exhibit 2.)

A. Of course I signed that.

Mr. WILLIAM W. WYLIE.

APPENDIX No. 3

Q. It says "By responsible firm"; had you in mind, when this was given, a sale made to the Government?—A. Not at all.

By Hon. Mr. Reid:

Q. To any one?—A. Not to any one. That is positive.

By Mr. Rhodes:

Q. Would it be fair to say that Mr. McQuarrie had made representations that he could sell three trucks?—A. That is what the agreement specifies.

Q. He did not say to whom?—A. He did not.

Q. And you did not know at that time that he had any line on the Government or the Minister of Militia then?—A. No more than I have of flying.

By Mr. Boys:

Q. You require that before you appoint an agency—three trucks?—A. No, we had the agency for the Gramm. Under our agency we appointed sub-agents. The commission for agents is 10 per cent half of the percentage allowed.

Q. Most of the companies will not appoint an agent unless the agent agrees to take three motors?—A. They have all different agreements.

Q. That is not why three were specified there?—A. Well, not particularly.

By Mr. Edwards:

Q. Then you give 10 per cent to anybody who acts as your agent?—A. Any sub-agent; that is the rule in motor car business.

By Hon. Mr. Reid:

Q. This was a usual transaction with Mr. McQuarrie?—A. Quite a usual transaction.

Q. You would have given it to any one?—A. I would have given it to any one in the business.

Q. Is that the understanding with the Gramm Company, that you are allowed to appoint sub-agents and give them 10 per cent?—A. That is part of our business with agents for a certain locality or territory.

Q. And that is understood?—A. That is decidedly understood; that is part of our contract with the Gramm Company.

Q. So that so far as the Government is concerned, although Mr. McQuarrie got 10 per cent, they did not pay any excess price over what any other person would have had to pay?—A. Not one cent over the regular price. The price is specified by the Gramm people.

Q. And they got it at the regular price?—A. They got it at the regular price, the same as any other firm in the city of Ottawa or in our territory would have got it. In fact, if I am not mistaken, they were quoted from other agents outside of this territory.

Q. To the Department?—A. To the Department.

Q. So that there is not one dollar loss in respect to this transaction?—A. Not one dollar.

By Mr. Sharpe:

Q. What was your object in wording that peculiarly in that way?—A. I don't know that I had any object.

Q. Why did you not say, "commission on sale"?—A. I probably would not write a receipt the same twice over.

Q. You say you would give him a commission on the sale?—A. Yes.

Q. Why did you need to say about the "influence"?

The CHAIRMAN: To identify the sale.

By Mr. Sharpe:

Q. Did you want to use that at any other time?—A. No, only for a voucher, to show where the money had gone.

By Hon. Mr. Reid:

Q. On those three trucks?—A. On those three trucks.

By Mr. Edwards:

Q. Suppose Mr. McQuarrie had come to you and said, "I have sold three Gramm trucks to the C. P. R.," would you have been just as likely to have written in your receipt to Mr. McQuarrie, "for his influence in selling three trucks to the C. P. R."?—A. Yes, C. P. R. or J. R. Booth, it would be the same thing.

By Mr. Boys:

Q. Then at no time at all before you made this arrangement did Mr. McQuarrie intimate that he had any special influence with Col. Hughes?—A. None whatever. In fact, when I made the arrangement I did not know the Government or the Militia Department in any respect whatever.

By Hon. Mr. Reid:

Q. Was that receipt given to identify the particular sale?—That might have been the reason for the wording of it?—A. Yes, you may add some particular significance for the wording of it, but I did not.

By Mr. Carvell:

Q. You did say, for his influence with Col. Sam Hughes?—A. Yes.

Q. Had he not been trying to sell those trucks before this to the Government?—A. No.

Q. Do you know when the sale was made under that contract?—A. I know about the time.

Q. Was it not all about the same time?—A. It was some time in April—a month or six weeks after I had given the agreement.

Q. At the time you gave the agreement was there any discussion about him trying to sell trucks to the Government?—A. No, not at all, not even hinted.

By Mr. Blain:

Q. The name of the Minister of Militia was never mentioned?—A. Never mentioned, nor the Government was not mentioned.

By Mr. Carvells

Q. Did you go to McQuarrie, or did he come to you?—A. He came to me.

Q. Wanted to get an agency to sell trucks?—A. Yes.

Q. Did not mention the Government or any Department?—A. Did not mention the Government or any individual connected with the Government.

By Mr. Boys:

Q. Had you control of Ottawa as part of your territory?—A. Yes, and we had another arrangement with the Ottawa Machinery Company on the same basis.

By Hon. Mr. Reid:

Q. And you give them the same terms?—A. They had the same agreement.

Q. As Mr. McQuarrie?—A. As Mr. McQuarrie.

Q. And get 10 per cent?—A. And get 10 per cent.

Q. Have you any others?—A. Not particularly in Ottawa.

Mr. WILLIAM W. WYLIE.

APPENDIX No. 3

Q. Are those files of yours kept under lock and key?—A. Oh no.

Q. Who had access to them besides yourself?—A. The book-keeper had access to them.

Q. Who is the book-keeper?—A. We had two or three book-keepers, who all had access to them, and I may say that any person who wanted to make it a business could have got at the files.

Q. Who has had access lately?—A. Well, they have been in the care of Denison & Holcomb, accountants in Ottawa.

Q. And this receipt was in their possession?—A. Well, the last I seen of it was on the file.

By Dr. Edwards:

Q. When did you last see it yourself?—A. The last was when I gave it up and paid over the cheque.

Q. When was that?—A. That was on the 22nd April, 1912.

Q. So you have not seen it since until to-day?—A. I have not, not to my knowledge.

By Hon. Mr. Reid:

Q. Or a copy of it?—A. Or a copy of it.

Q. It was given up to Denison & Holcomb at that time?—A. No, it was put in Wylie, Ltd's., office in care of the book-keeper.

Q. Who was he?—A. I could scarcely tell you who was the particular book-keeper at that time.

By Mr. Pardee:

Q. Let me see that cheque that you gave in connection with that?—A. (Cheque produced, dated April 22, 1912, marked Exhibit 3.)

By Dr. Edwards:

Q. When was it handed over to Denison & Holcomb?—A. Rather more than a year ago.

By Mr. Pardee:

Q. Was McQuarrie a pretty good salesman?—A. Well, that is what his business was.

Q. Did he do much more business for you?—A. No, that is the only business.

Q. That is the only business he ever did?—A. Yes.

Q. The only sale he ever made?—A. For Wylie's.

Q. But he sold those trucks to the Government as your agent, and that is the only sale he ever made for you?—A. That is the only sale.

Hon. Mr. REID: Under a written agreement as sales agent.

By Mr. Pardee:

Q. You paid him by cheque?—A. Yes.

Q. And besides paying him by cheque you took a receipt?—A. Certainly.

Q. Would not that cheque be a sufficient receipt for you, Mr. Wylie?—A. We very seldom do that in business; we take a voucher.

Q. Besides the cheque you took this voucher?—A. Took the receipt.

Q. With all the accompanying explanation in the receipt?—A. Well, you see it.

Q. And that is the only sale he ever made for you?—A. That is all.

By Mr. Rhodes:

Q. How long after this sale was made did you go out of business?—A. Oh, probably two years.

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By Mr. Blain:

Q. I suppose you have other agents who never made more than three trucks in sales?—A. We have had agents that never made one sale.

By Mr. German:

Q. You have had sub-agents who made sales for trucks?—A. Yes.

Q. Did you ever take from any one of those agents a receipt such as you took from McQuarrie?—A. Well, I don't know what kind of receipts they took; I didn't do all the business.

Q. In such business as you did, did you ever take a receipt from any agent of yours, for a sale of trucks or anything else under your control, similar to the receipt you took from McQuarrie?—A. I don't know that I did.

Q. Don't you know that you did not?—A. I don't know that I did not, either, because I didn't do all the business.

Q. Do you always take a receipt when you pay money by cheque?—A. Should do.

Q. Do you?—A. Should, always.

Q. And you have had many agents during the course of your business?—A. Not a great many.

Q. How many?—A. I couldn't tell you how many.

Q. And you must have taken several receipts?—A. Yes.

Q. And those receipts you have got yet I suppose?—A. The receipts are on the file if they are not gone astray.

Q. Can you tell with definiteness whether you took any receipt similar to the one you took from McQuarrie?—A. I would not say they are exactly the same.

Q. Would you be good enough to look and see?—A. It would take some time to look and see.

Q. Where are all your receipts?—A. They are all under the care of Denison & Holcomb.

Q. Receipts and accounts and everything?—A. Receipts and accounts and books and everything.

Q. Who are Denison and Holcomb?—A. Accountants here in Ottawa.

Q. And any receipts that you or your firm took from agents for moneys paid them would be with this firm of accountants?—A. They should be all there.

By Mr. Blain:

Q. You say they should be all there?—A. The receipts should be there.

By Mr. German:

Q. You had an agreement in February with Mr. McQuarrie?—A. Yes.

Q. An agreement in writing, a copy of which has been filed, agreeing to pay him 10 per cent commission on any sales that he makes?—A. Yes.

Q. Then in April he comes to you and says that he has accomplished the sale of those machines?—A. No, in April we had the sale made, and I think the trucks delivered.

Q. Did he have the sales made when you made the agreement in February?—A. Not completed.

Q. This agreement (Exhibit 2) says, "in view of your having secured an order ready for us to sign up for three Gramm trucks;" he had the order then, did he?—A. He said the order was there for us to sign up.

Q. Did he tell you at that time from whom the order had been got?—A. Not before we gave that agreement.

Q. At the time the agreement was made did he tell you?—A. After the agreement was made he told me where the order was.

Mr. WILLIAM W. WYLLIE.

APPENDIX No. 3

Q. At the time the agreement was made he did not tell you?—A. No.

Q. So that you did not know it was with the Government?—A. No.

Q. You did not know with whom it was?—A. Did not know.

Q. Then subsequently he told you that the agreement was with the Government, or that he thought he could make an agreement with the Government?—A. No, the order was there with the Government which he had worked up.

Q. And then you draw a receipt in which you specify that he receives the money for his influence with the Minister?—A. Well, his influence to secure the contract.

Q. For his influence with the Minister?—A. That is the way we read it differently.

Q. Did he tell you that he was a native of the constituency that Colonel Hughes represents?—A. No.

Q. Don't you think it was a very peculiar thing for you to draw a receipt worded in that way?—A. Well, it might have been worded better.

Q. Well I should say so; it could not have been worded worse, could it?—A. Well, I don't know.

By Mr. Carvell:

Q. Could it have been worded truer?—A. It could have been worded "for commission."

Q. That would not be as true as this present statement is?—A. Probably not.

By Mr. Blain:

Q. According to your statement he had received this order, or the promise of it, before he came in contact with you at all?—A. That is my—

Q. Therefore there could have been no understanding with you that he had any special influence with the Minister?—A. No.

Q. Such a matter was never discussed with you at all?—A. No.

By Hon. Mr. Reid:

Q. If you had negotiated this order with the Militia Department would your price have been what was charged by you?—A. Exactly the same.

Q. And if Mr. McQuarrie had solicited an order for three trucks, and gone to any other firm would they have given him the same commission?—A. I believe they would; in fact I have every reason to believe they would. Any motor truck company in America would have done the same thing.

Q. Is it not customary for a man who acts as sub-agent?—A. To my knowledge it is.

By Mr. Boys:

Q. Do they not generally pay 15 per cent?—A. No, they run from 10 to 25 per cent commission.

By Mr. Carvell:

Q. At what price were these sold to the Government?—A. At Gramm prices—\$4,400 for the Chassis, \$200 for the bodies, \$60 for the tops.

Q. Anything else?—A. There was some other extras afterwards. There was freight prepaid, and there were some accessories which I can't tell you from memory.

Q. How much, practically?—A. Of course I couldn't tell you what the freight was, but I think there was some \$20 for chains or something.

Q. Practically what would the freight be?—A. I don't know.

Q. You have an estimate?—A. I have no estimate at all; probably about \$50.

Q. That is \$4,730; now what is the commission for that?—A. Well, he only had commission on the chassis; the others were extras afterwards.

Mr. WILLIAM W. WYLIE.

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By Hon. Mr. Reid:

Q. The Gramm Company only allow commission on the chassis?—A. No, they allow commission on everything we sell for them.

By Mr. Boys:

Q. So the commission was fixed on their price?—A. A commission was fixed on the price the Gramm people charge us.

By Mr. Carvell:

Q. Perhaps you could tell; what did they cost the Government?—A. They cost the Government about \$4,400 for the chassis, \$260—

Q. \$4,730, then?—A. About that.

Q. And how heavy trucks were they?—A. Three-ton trucks.

By Mr. Blain:

Q. Were they good value to the Government, would you say?—A. Well, you say we can afford to pay it; that is very true, and a regular thing, but at the same time there is not the profit that you think, because we have to have a demonstrating truck on the road all the time.

By Hon. Mr. Reid:

Q. And overhead charges?—A. And then we have overhead charges, and we have to keep a demonstrator to demonstrate for the Government and everybody else.

By the Chairman:

Q. And then you could not make it pay, and had to shut down?—A. Had to shut down.

Q. This receipt is dated the same day as the cheque?—A. The same day as the cheque.

Q. There is nothing on the cheque at all, is there, that would show what the sale is about?—A. No, only for the receipt.

Q. And the receipt is the only check you have on the sale?—A. The only check we have on the payment of that money if I was to die, or anything else.

By Mr. Blain:

Q. Is this business finally wound up yet?—A. Wylie, Ltd., oh, no, it is not wound up.

Q. What do you think of this receipt, a private paper, being allowed to leave his office without consulting somebody?—A. I believe it is almost a criminal offence.

The CHAIRMAN: I have received a letter from H. W. Acason, President and General Manager of the Gramm Motor Truck Company, as to this particular branch of the inquiry.

Mr. CARVELL: Why not bring Mr. Acason here?

The CHAIRMAN: I understand he is here, and I was going to ask whether the Committee wanted to hear his statement.

Mr. CARVELL: Yes.

By Mr. Pardee:

Q. Is Denison, the Accountant, any relation of yours?—A. He is a son-in-law now. He was not at that time.

The Committee adjourned at 1 o'clock until 8'clock p.m.

Mr. WILLIAM W. WYLIE.

APPENDIX No. 3

PUBLIC ACCOUNTS COMMITTEE,
HOUSE OF COMMONS,
COMMITTEE ROOM NO.

FRIDAY, March 26, 1915.

The Committee met at 8 o'clock p.m., Mr. Morphy presiding.

HERBERT W. ACASON called, sworn and examined.

By the Chairman:

Q. You are a member of the Gramm Motor Company of Walkerville?—A. I am president and general manager.

Q. You complain of some statements that have been made in the public press, I believe?—A. The situation is that I was in Montreal yesterday and saw in the paper that the name of our company had been mentioned in your meeting here and telephoned to Mr. Bennett, our vice-president, who is here, and learned from him that the report in the Ottawa papers here had made two statements which I think we should be allowed to correct.

Q. What are the statements you complain of? Name the first one please?—A. The matter is doubtless in the reporting of the meeting. The first one is, "Mr. Wylie, of the Gramm Motor Company."

Q. Well?—A. And in reference to Mr. McQuarrie being paid \$1,200.

Q. You object to the statement of Mr. Wylie being "of the Gramm Motor Company"?—A. Yes.

Q. Why?—A. Mr. Wylie has no connection with the Gramm Motor Company.

Q. Since when?—A. Never has had with the company itself.

Q. What occupation had he in connection with the company?—A. Mr. Wylie was connected with Wylie, Ltd., who were in Ottawa as dealers in motors.

By Hon. Mr. Reid:

Q. Was he sales agent for your company?—A. They were dealers here in business, and they handled our products.

Q. I think I remember him stating here that he had a contract or agreement with you to sell your trucks, on which you gave him 20 per cent commission?—A. Well, Wylie, Limited, were a firm here that represented us; they bought our stuff and sold it here.

By Mr. Carvell:

Q. So far at least as this Committee was concerned there was no impression left such as you complain of?—A. Well, the paper just mentioned here, "Mr. Wylie, of the Gramm Motor Company."

The CHAIRMAN: Pass that.

Mr. CARVELL: No, this gentleman can take all the time he likes. I am telling him there was no such impression left on our minds.

Hon. Mr. REID: The impression was, as far as I am concerned, that you were selling to Wylie, Limited, at your list prices less 20 per cent.

The WITNESS: Whatever the arrangement was at that time.

Hon. Mr. REID: You had an arrangement by which you gave them the trade discount?

Mr. CARVELL: A perfectly legitimate transaction.

The WITNESS: Perfectly.

Mr. HERBERT W. ACASON.

By Hon. Mr. Reid:

Q. Do you remember if that discount was 20 per cent?—A. I think it was.

Q. And he claims he could appoint sub-agents and allow them 10 per cent?—A. Well, our business ended with the selling of our trucks to Wylie. We do not sell our product retail, we only sell it wholesale that way.

Q. Did you have a written agreement with him?—A. Oh, yes, there was a contract the same as with others.

Q. In selling your trucks to the public do you sell them at your list prices wholesale, but giving the 20 per cent discount?—A. We hardly sell the public ourselves.

Q. You sell all through men like Mr. Wylie?—A. Yes.

Q. And allow them to sell retail?—A. They retail.

Q. And the 20 per cent is what you allow them?—A. We sell them at whatever our catalogue price is, less 20 per cent. They pay us, and they sell to suit themselves.

By Mr. Carvell:

Q. Is that not the custom in all automobiles?—A. Absolutely.

By Hon. Mr. Reid:

Q. Is it not that the prices on your catalogue are what the public pay for them?—A. Certainly.

Q. This price that was charged to the Militia Department, as I understand it, was your list price?—A. I don't know what the price was.

By Mr. Carvell:

Q. It was \$4,400 for the chassis, \$200 for the body, \$60 for something else, and he estimated \$50 for the freight?—A. \$4,400 was the price in 1912.

Q. For the chassis?—A. Yes.

By Hon. Mr. Reid:

Q. And that was the price that Wylie paid less the 20 per cent?—A. Yes.

Q. Supposing you had been selling to the Government, would you sell at your list prices or would you treat them as a dealer?—A. No, in our business, the same as in all other automobile business, we don't sell—

Q. You would sell through the dealer?—A. The whole Dominion of Canada is covered, all the territory, by these various dealers that sell at the prices, less the discount.

Q. Is that a legitimate price?—A. Yes.

Q. That is the price that they were sold at all through Canada?—A. Yes.

By Mr. Sharpe:

Q. An individual could not buy it any cheaper than the Government could buy it?—A. No, certainly not.

By Hon. Mr. Reid:

Q. Then, the fact of Mr. Wylie paying a \$1,200 commission to Mr. McQuarrie did not make the truck cost the Government any more than if they were paying the regular price?—A. No, if they paid \$4,400.

By the Chairman:

Q. What is the next thing you complain of?—A. The paper says: "The price paid for the Gramm truck was highest of all. Some twenty-five of them being purchased for about forty-one hundred dollars each." I had written a notation on each of these two points, and wished to be allowed to read it.

Mr. HERBERT W. ACASON.

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By Mr. Carvell:

Q. The statement here is that the two-ton trucks cost the Government \$3,600 and the three and a half-ton trucks cost then \$4,600 less 20 per cent?—A. That is not correct.

By the Chairman:

Q. I think the statement you refer to was the one that was handed in to me?—A. Yes. I have a copy of it here, and if I may be allowed to read it it will cover my point.

Q. Is this a prepared statement?—A. I wrote this this morning so that I could have it.

The CHAIRMAN: I think the witness might be allowed to read it.

By Mr. Carvell:

Q. The evidence before the Committee is that Mr. Russell and Major McQuarrie bought either four or five of those trucks from you prior to the 14th August, and then after that they, as a sort of commission representing the Department, bought some more?—A. Yes.

Q. Altogether there were eight two-ton trucks at \$3,600 each and fifteen three-and-a-half-ton trucks at \$4,600 each less 20 per cent; now I figure that out that it would mean a net of \$3,680 to the Government for the three-and-a-half-ton trucks, that is net here; I will place the figures before you?—A. I see in this list the twenty is inserted here. The price paid to us for the first four that were for use at Valcartier was \$3,600 each.

Q. Were they two-ton trucks?—A. Yes.

Q. That statement then, would be correct?—A. Yes. They did not pay \$3,600 less 20 per cent.

Q. What did they pay?—A. \$3,600 on the first four. On the second item they paid \$4,600 less 10 per cent, or \$4,140 net.

By Hon. Mr. Reid:

Q. Was the transaction direct with you?—A. Yes.

Q. Did you invoice the trucks direct to the Government?—A. Yes.

Q. And the cheque from the Government was sent direct to you?—A. Yes.

Q. Did you pay any one any commission on that?—A. The order went through our Ottawa agents.

Q. Who are they?—A. The Ottawa Car Company.

Q. And you paid them their commission?—A. Yes.

Q. What commission did you pay them?—A. The difference between what we received and the discount of 30 per cent from the list.

Q. Then they got 20 per cent?—A. They got 20 per cent.

By Mr. Carvell:

Q. That would be \$920?—A. That does not apply to the whole order, though. That would apply to twelve of the machines, not all of them.

By Hon. Mr. Reid:

Q. But your firm sold them direct to the Government and got the cheque direct from the Government for them?—A. Yes, the money was paid to our company.

By Mr. Sharpe:

Q. With whom in the Ottawa Car Company did you deal?—A. Who personally?

Q. Yes?—A. Soper; they are our agents at the present time.

Mr. HERBERT W. ACASON.

By Hon. Mr. Reid:

Q. Were they your agents at that time?—A. Yes.

Q. They have always been your agents?—A. Since Wylie went out of business. We have a contract with them.

Q. Is your contract a contract that allows them 30 per cent?—A. It allows them 25 per cent. On these it was increased to 30 per cent on account of the discount of 10 per cent.

Q. Then the Ottawa Car Company here are the ones who negotiate sales for you with the Militia Department?—A. Yes, in times of peace of course they would sell at the regular price, \$4,600.

Q. In times of war what would they sell at?—A. Well, they would sell at the same price.

By Mr. Carvell:

Q. But you say they did sell at \$4,140?—A. Yes.

By Hon. Mr. Reid:

Q. Then there is no difference between war and peace with your business?—A. No, only the quantity was larger.

Q. In times of war the prices are larger, and yet you don't make any?—A. Our discounts to our dealers vary on the quantity.

Q. As I understand it, in times of peace your discounts are less than they are in times of war, with your agents?—A. No, I would not say that.

By Mr. Sharpe:

Q. What arrangement have you generally with your agents, apart from your Ottawa agents?—A. Our agents usually get discount—it depends on whether they purchased demonstrators and put trucks in stock whether they get 15, 20, 25 or 30 per cent.

By Hon. Mr. Reid:

Q. In times of peace what rate of discount did you give your Ottawa agents?—A. 25 per cent.

Q. In times of war what rate of discount did you give your Ottawa agents?—A. It is not a question of peace or war; it is a question of quantity. I mean, if a man is buying one truck he might get a discount of 20 per cent if he is buying five he might get 25 per cent.

Q. Before the war did you have any scale?—A. Yes, I think so.

Q. Did you change them after the war?—A. No, it is governed by the quantity.

Q. Previous to the war did not the quantity count?—A. Yes.

Q. You gave certain discounts previous to the war?—A. Previous to the war we gave 30 per cent discount on quantity orders.

Q. And the same after the war?—A. Yes.

Q. You gave the Ottawa Car Company just the same discounts after the war that you did before?—A. Certainly, the discount was governed by the quantity.

Q. And the only way you would sell your trucks to the Government previous to the war was through Wylie, and after the war was through the Ottawa Car Company?—A. No, sir, Wylie ceased to be our agents in 1912; I think the Ottawa Car Company have been our agents since then.

Q. After 1912 the only way you would sell them to the Government was through your Ottawa agents?—A. Certainly.

Q. And there was no other way of getting them any cheaper than through them?—A. No, certainly not.

By Mr. Blain:

Q. Do you want to read your statement?—A. Yes, if I may. (Witness reads the following statement):—

MR. HERBERT W. ACASON.

APPENDIX No. 3

Statement by H. W. Acason, President and General Manager of the Gramm Motor Truck Company, of Canada, Limited, Walkerville, Ont.

At a meeting of the Committee of Public Accounts of the House of Commons held on Thursday the twenty-fifth instant, evidence was given to the effect that one J. H. McQuarrie received \$1,200 from Messrs. Wylie, Limited, in April, 1912, for his influence in effecting the sale of three Gramm motor trucks by Wylie, Limited, to the Department of Militia and Defence.

As the various newspaper accounts of this evidence make it appear that Mr. W. W. Wylie was acting on behalf of the Gramm Motor Company in his transactions with J. H. McQuarrie, we desire to correct this improper impression, by the following statement.

Messrs. Wylie, Limited, were automobile and motor truck dealers in Ottawa. They were dealers in Gramm trucks for Ottawa and surrounding territory.

The Gramm Motor Truck Company did not solicit at that time any order from the Militia Department and had no knowledge of the negotiations now reported.

The three machines were ordered by Wylie, Limited, under their dealers' contract and were built to specifications furnished by Wylie, Limited.

Payment was made in Walkerville by Mr. W. W. Wylie upon completion of the order.

No representative of the Gramm Company had anything to do with securing this order, and we did not know that Mr. J. H. McQuarrie was in any way connected with it, or with Messrs. Wylie, Limited.

As regards the difference in price between the Gramm truck and several American-made trucks purchased for the first contingent, we beg to point out that the Gramm price included the amount of duty paid by us on certain parts of each truck imported by us from the United States, whereas the prices of the American machines were prices in the United States without duty added.

It is our information that the Militia Department paid no duty on these American trucks. Had duty been paid by the Militia Department to the Customs Department on the American trucks, the prices on these imported machines would have been higher than the Gramm price in most cases.

By Hon. Mr. Reid:

Q. There is one point there which I do not quite understand; that is, with the larger quantity of trucks, as I understand, your price was \$4,600 for three and a half ton-trucks; now, if your agents were selling five or six trucks, or a certain number, they got 20 per cent commission; if they sold a larger number there was 30 per cent commission, but the person purchasing would not get any reduction?

By Mr. Sharpe:

Q. But in this case the Government got 20 per cent less?—A. 10 per cent is the correct amount. It says 20 here.

The CHAIRMAN: He objects to that figure; he says it is 10.

By Hon. Mr. Reid:

Q. I just understood from you that the only one that made anything more on it was the person selling them, because they were supposed to be sold at your prices?—A. There is no regulation in regard to that. The selling of the truck to the ultimate buyer is absolutely in the hands of the dealer. He is buying trucks from us, and if he is buying 50 trucks as a business proposition he says to us, "Now, I am buying 50 instead of 5, I need a little better price."

Q. And you do not hold him to the public sale at your prices?—A. We have no legal control, I believe, of his price.

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Q. Is it not an understood fact with your company—I know it is with other concerns—that your price list is the price at which he is supposed to sell in that district?—A. Yes, he is supposed to sell at the catalogue price so that all people will pay the same amount.

By Mr. Carvell:

Q. But suppose he decides to make a slight cut in order to get the business?—A. That is entirely in his hands.

By Mr. Blain:

Q. Your agent this afternoon in the box said that the price——

Mr. CARVELL: No, not his agent; he says he was not his agent.

The CHAIRMAN: Why this quibble? He sold these trucks.

Mr. CARVELL: The reason he desired to be called was to deny the statement that he was his agent.

By Mr. Blain:

Q. That is not my point; he said you fixed the price at which he was to sell your trucks?—A. The trucks are described in the catalogue, and of course the prices are printed, that is, the selling price. Now, we don't sell direct ourselves; we sell to firms who buy from us and then re-sell. They have to have a catalogue and a price in order to do business.

Q. Is it quite customary for your agent, a man who sells your trucks, to sell to the customer at the price fixed in your catalogue?—A. That is his intention.

Q. And that is what you expect him to do?—A. That is what we would like him to do in every case.

Q. And you expect him to do it?—A. We expect him to do it, but we cannot force him to do it.

Q. You would be unlike everybody else in the business if you did not expect him to do that?—A. We expect him to sell at the price in the catalogue.

By Hon. Mr. Reid:

Q. The price of the Kelly-Springfield was \$2,550; that would not include any commission?—A. I don't know anything about that.

Mr. KYTE: Is it not customary, when the Government are buying supplies, to remit the duty, Dr. Reid?

Hon. Mr. REID: Three or four years ago the Act was changed so that everything the Government brings in for any Department pays duty the same as an individual, so that if the Government were purchasing the Kelly trucks, when they bring them in here they are treated the same as a private individual. If they are used here in Canada, if they are bought to be used permanently in Petawawa Camp, for instance, they pay the duty; but if they are going through to the trenches we do the same as with a private individual—allow them to come in in bond and go out.

Witness discharged.

Colonel W. G. HURDMAN, recalled.

By the Chairman:

Q. You are sworn, Col. Hurdman?—A. Yes.

By Mr. Nickle:

Q. What is your business?—A. Inspector of Carriages is my official title; Inspector of all technical stores, gun-carriages, and so on.

Q. What Department?—A. Department of Militia and Defence.

Q. What do you know about these 150 two-ton trucks?—A. You heard what Mr. McQuarrie said the other day?—A. Yes.

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Q. What have you to say in regard to your side of the question? He said the workmanship was bad and the fastening was worse; who drew the specification?—A. The specifications were prepared by me.

Q. Under what circumstances?—A. The Chairman of the Commission, Senator Taylor, instructed me to prepare specifications and drawings for a truck body, and I did so.

Q. For what truck?—A. For a motor truck body.

Q. For what size of truck?—A. Three-ton truck is what it is supposed to be. (Specification produced and also drawings connected therewith.) Attached to this is a formula for paint and some questions about paint.

Q. How did you happen to prepare this specification? Was a sample body sent you?—A. Yes, a sample body was procured and sent me, and I had it there.

Q. From where?—A. From the Hopkins Company, somewhere in the United States, New Jersey, some place.

Q. Was this sample body inspected by the Transport Commission?—A. Yes, it was.

Q. And as a result this specification was drawn and certain blue-prints which accompany it?—A. Yes the blue-prints, I had tracings made and got a man to make blue-prints of them.

Q. In what way does this specification differ from the sample body?—A. You would have to take the drawings. The drawings and specifications differ from the sample body in that it is of a stronger construction.

Q. Which is?—A. The body is, in a great many ways.

Q. The body made under your specification is stronger?—A. Yes.

Q. Explain how?—A. In this way, that the sills are heavier, particularly the back and front are stronger, made of oak and heavy material; the bunks are heavier; thicker sides and ends, that is, the sheeting on the sides are heavier.

By Mr. Carvell:

Q. What do you mean by sheeting?—A. That is the boxing, for boxing it up.

By Mr. Nickle:

Q. Let me see those photographs?—A. Yes, I have some photographs right here.

Mr. CARVELL: I am not attacking the Colonel's specifications.

By Mr. Nickle:

Q. Then you drew a specification by which the bodies were to be heavier than the sample body which was submitted to you?—A. Yes; the sample body had side board, and the sheeting on it is apparently of cotton wood; it is a soft wood, and that only $\frac{3}{4}$ inch thick.

Q. That is the sheeting?—A. Yes, the sheeting. The stakes on it were somewhat lighter, perhaps a quarter of an inch lighter than what I prepared; mine are heavier; I replaced that with $1\frac{1}{4}$ -inch. I put down B. C. fir or hard white pine, but the B. C. fir is what has been used right straight through. In the case of flooring I had a white ash or oak reinforced with strips of steel over it to keep it from wearing; in that way I took the cleats on the end of the side pieces where they are light on the sample one; I had those made heavier and of good material. The corner of the box at the front was held together with a very light hook, just a hook and staple, so that in coming up by express they were broken; in place of that I put a plate right across the top of the end and came down over the end to hold it, a strong steel plate. Then the lashing rings were all put on with plates, in place of staples driven into this $\frac{3}{4}$ -inch board.

By the Chairman:

Q. Where they clinched behind?—A. Some of them just barely clinched, not long enough to come through properly. In general terms there is where they were improved in that way.

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By Mr. Nickle:

Q. Did you inspect these bodies before they were painted?—A. I inspected them all myself personally before being painted or assembled, that is, the material when it was all laid out, and then afterwards I saw them; they were assembled before I would allow them to paint them.

Q. Were they up to your specification?—A. They were up to my specification. In going along, like a great many things, you see where you can improve on that, and where the contractor is willing—and very often in this case the contractors were willing to do anything they could, wanted to get a good article out, I will give them credit for that—and on suggestion made I allowed them to make those things which from my experience I considered to be an improvement.

Q. Then, as far as the body goes is it up to your standard structurally?—A. Yes, it is up to the standard that I prepared; there is no question about that.

Q. Then I understand that after you prepared the specification the policy of the English War Office was changed as to the style of body they wanted?—A. Yes. I understood that from Major Thomas.

Q. What was your understanding on that point?—A. Well, I understand from Major Thomas that they wanted to get a wider floor space, more floor space, for the purpose of taking heavy boxes of ammunition, and not have to pile them one on top of another in the bodies, so that they would take the load in that way loaded flat on the floor.

Q. How much wider is the new body than the body you designed?—A. Well, I did not design it.

Q. The body for which you drew the specification?—A. 20 inches wider, I understand.

Q. Then as I understand it the body which you did prepare was for a two-ton truck?—A. Apparently it was for a two-ton truck; I did not know that at the time.

Q. And the trucks that were bought were three-ton trucks?—A. Yes.

Q. But as far as the bodies go they are efficient?—A. Yes.

Q. Mr. McQuarrie said the other day that they were practically a little better than scrap; to use his words, he would sooner scrap them than send them overseas?—A. I do not think Major McQuarrie meant it in that way.

Q. What do you say in reply?—A. I say no, I would not do such a thing as that. I say this, that if the War Office desires a wider body I think it would be policy to give what is wanted, what is most serviceable in that way.

Q. You would say more than policy would you not?—A. Yes.

Q. Absolutely necessary?—A. Yes, absolutely necessary, from my experience as an officer in actual service I would like to see the very best go forward and what is most serviceable.

Q. As I understand you, the truck that the War Office now require must be sufficiently wide to be fully filled with ammunition boxes piled only one tier high?—A. That is the idea.

Q. And at the time you prepared these specifications you were not aware and could not be aware of the present policy of the War Office?—A. No; I think Major Thomas made that plain to-day.

Q. Is there any sale for these bodies that are now in stock in Canada?—A. I understand from Major Thomas—I do not know personally myself—that there was, in fact they require some of them for their own use here.

Q. And the French War Office requires some?—A. Yes.

Q. What use could those bodies be put to in Canada?—A. They could be used on trucks here in Canada in the training camps, and at different training camps in different districts.

Q. For general military work?—A. For general military work, yes.

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Q. Then, to summarize it and not take the time of the Committee, I understand from your evidence that as far as these bodies go they are efficient and strongly made?—A. They are.

Q. But from the change in the War Office policy they have not the utility that they would have had provided the change had not been brought about?—A. No.

By Mr. Carvell:

Q. You produce a set of photographs here; where did you get these?—A. They were sent from the Hopkin Manufacturing Company at the time they sent the sample, with a synopsis of their specification.

Q. And it was from this design, or from a truck the same as this photograph that you prepared your drawings?—A. Yes.

Q. And made the slight changes that you have mentioned here?—A. Yes.

Q. Do you say that the War Office now requires a body 18 inches or 20 inches wider than this?—A. That is my understanding.

Q. That is what Major Thomas tells you?—A. Yes, and he is in touch with them.

Q. When you said you got these instructions from the Chairman of the Commission whom did you mean?—A. I mean Senator Taylor, Chairman of the Commission of Land Transport.

Q. Did he give you any written authority?—A. No, I was just instructed to prepare drawings and specifications for this truck.

Q. According to the sample?—A. According to the sample. That is the instruction I got and as I understood it.

Q. How wide is this body?—A. It is a 5-ft. body.

Q. How high is it?—A. The side is 24½.

Q. When you say these could be used in Canada, do you mean they could be used on any ordinary truck?—A. Yes, they could be used on a three-ton truck, or practically any truck. The only truck they would not fit well on is a White; I think it takes a 13-ft. body, and the rest are 12, supposed to be standard.

Q. At the time you prepared the drawings and specifications did you know what kind of a truck they were to be applied to?—A. No, I did not.

Q. Did any other member of the Commission, other than Senator Taylor, discuss the matter with you?—A. No, except in a general way; I was present at all the meetings of the Commission, and general instruction just to me.

By Hon. Mr. Reid:

Q. In the whole Commission?—A. Yes, I accepted from Senator Taylor; I would not take it from any other member of the Commission.

By Mr. Carvell:

Q. General verbal instructions?—A. Yes, after being down and looking over the body.

Q. About what time was it you received those instructions?—A. I am under the impression it was the 25th November.

Q. That is after the First Contingent had gone away to England?—A. Yes.

Q. Up to that time had you heard any reports as to how the trucks accompanying the First Contingent had turned out in Salisbury?—A. I had heard reports, but I know nothing officially.

Q. I am asking you if you heard anything?—A. Yes, I heard reports that there had been some trouble there.

Q. All sorts of trouble?—A. Yes.

Q. At that time did you hear any complaints as to the size of those trucks?—A. No.

Q. No complaints as to the size of the bodies?—A. I did not.

Q. I do not want to interfere at all in the family quarrel, but there seems to be a very strong disposition on the part of some members of this Commission to lay the
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blame on somebody else, does there not?—A. Oh, I don't know; there may have been a little misunderstanding, something in a way, but I do not think, I would not like to put it as strong as that.

Q. I only want to give you the opportunity?—A. I would not care to put it that way.

Q. I think it is only fair to give you that chance?—A. I don't think it; no, I am never out with an axe or a hammer for any one; I find it enough to take care of myself.

Q. I take it from your evidence that you feel you carried out your instructions?—A. I feel that honestly. My work is such that I am fully qualified to do it; I hold a certificate from Woolwich College and Arsenal.

Q. How long have you been in the Department?—A. Since 1898 on inspection work, but permanently employed since 1907. I qualified for the position in 1905. I hold a certificate from there as being thoroughly qualified for the class of work such as that gun-carriage work.

Q. Were you an officer of the Militia prior to that?—A. I have been connected with the Militia of Canada for 40 years.

Q. For how long a time at headquarters?—A. I have been since 1907. I am not on the Militia staff; I am a Civil Servant doing military work.

Q. Then you consider that you carried out your instructions?—A. I do.

By Hon. Mr. Reid:

Q. Colonel, there has been an impression here from Major McQuarrie's evidence that those trucks were of no use; I would like to ask you if there is likely to be any loss, that is, can they be used in Canada here in case they do not go forward?—A. Certainly, sir.

Q. What is your opinion as to the result?—A. They could be used here in Canada all right, perfectly serviceable in every way.

By the Chairman:

Q. For commercial purposes?—A. Yes, for commercial purposes or any purpose—a very fine truck for commercial purposes.

By Hon. Mr. Reid:

Q. And they are built stronger than what an ordinary two-ton truck would be?—A. Yes, no doubt about that. I have had an engineer tell me that he thought they were too heavy.

Q. You do not look forward then, to any loss in connection with it?—A. I do not. The sample cost us \$175 and the duty.

Q. These cost \$168 without it?—A. Without it, built in Canada.

Q. And even though they were not sold the Militia Department could use them for their own service?—A. They can use them for their own services.

Q. Without any loss?—A. Without any loss.

By Mr. Carvell:

Q. Do you imagine you could go into any firm in Canada and have one built for \$175?—A. I don't think you would get them built for that, maybe, if you ordered one alone. There is no question about it, from a business point of view, a man will build a quantity cheaper than he will one or two.

Q. And the sample you bought was a single sample?—A. A single sample, but that was their regular price.

By Hon. Mr. Reid:

Q. What quality of wood was specified by you for these bodies?—A. I specified oak in the sills and stakes and bunks; oak or ash for the flooring; the sides, the specification calls for white pine or B. C. fir.

Q. In these bodies which were delivered were your specifications in that respect adhered to?—A. They were in that.

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Q. MacQuarrie stated to me that the soft wood used in these bodies was very, very inferior, and he thought it was poor poplar; what do you say as that?—A. I say it is not the case at all.

Q. You have had considerable experience in wood, have you?—A. I have had considerable experience in wood; I was brought up in the lumber business.

Q. Did you inspect the wood in these trucks before they were painted?—A. I cannot see any further through paint than anyone else, and I would not pass anything after it is painted. I saw all these before they were painted.

Q. Do you know whether Mr. MacQuarrie saw these before they were painted?—A. I don't know that he saw them; I don't think he had any opportunity to see them before they were painted.

Q. What about the paint?—A. The paint was strictly up to the formula which I supplied with the specification; in fact I am satisfied two contractors got their paint from the people who manufactured it for the Government. I know that in case of the order for 72 in Montreal the paint came from the Canada Paint Company in Montreal.

Q. They have the Government specification?—A. They have the Government specification. I have the formula here. Not only did I give them the formula to make the paint, but I also supplied them with a sample to show the same. You know chrome yellow and permanent French green, if you come to mix those together, if a dozen different people mix it you won't get the same shade, and my specification provides for a 10 per cent variation in two colours so as to make sure to get that shade.

Q. Did you hear the evidence of McQuarrie with respect to the quality of the paint?—A. Yes, I did.

Q. What do you say with respect to the statement that it was inferior?—A. Well, I am under the impression that he had got mixed up, and was thinking of the sample when he mentioned the poplar and the painting. That was the impression that I have. I like to be fair.

By Mr. Carvell:

Q. He gets mixed up, does he?—A. I don't know, that is my impression.

Hon. Mr. REM: That is about the most charitable thing you could say.

By Mr. Sharpe:

Q. What about the malleable iron and steel that were mentioned?—A. There is no malleable iron on this. There is malleable iron on the sample, but none on this. One firm, I don't know, may have put malleable iron on one place; that I have not seen for myself, to satisfy myself. Those bodies have not passed my final inspection; I have not seen them since they were painted.

Q. What about the combustible nature of the tarpaulin?—A. I can say this, that if they are not allowed to be thoroughly aired after the treatment they get they are combustible. I have had a case where we have had adjustable covers come into my place for inspection at night, and in the morning when I would go in and put my hand on them I could not stand the heat of them. The trouble is that unless they are thoroughly aired after using this "Preserve" on them they are dangerous. Once they are dried out they are all right. Parts of my specification I took from the British War Office specification, using the terms there, trying to stick as closely as I possibly can to the British specification.

Q. Do these tops come up to your specification?—A. As far as I can see they would. The waterproofing, I did see one top where I imagine they probably piled them before they were thoroughly dried, and it heated and rotted them—rotted one I saw in the way of the grain. The specification for the sample shows the top to be 12 oz. duck, one piece 12 oz. duck, frame canvas cover. In the tarpaulin I call for 22 oz. duck, and I know one contractor put in much heavier than that.

By Mr. Rhodes:

Q. I think you have already stated that the workmanship of the bodies was according to specification?—A. Yes.

Q. What do you say as to McQuarrie's statement yesterday that the workmanship was defective?—A. I repeat what I said before that I think he had more reference to the sample body than to the other.

By Hon. Mr. Reid:

Q. Did the manufacturers who built those bodies perform their work satisfactorily and in accordance with the specifications?—A. Yes they did.

Q. They did not shirk anything?—A. No, they did not shirk anything, as far as I have seen, unless they have shirked it in the painting, and I have not seen that; and before they are finally inspected and reported on I will know that; but there is part of the work they did not shirk, and in fact some of them did better work than the specification calls for.

By Mr. Kyte:

Q. What material was the tail board made of in the sample truck?—A. Cottonwood or poplar, $\frac{3}{4}$ -inch thick.

Q. And of what material is the tail board of the trucks that you gave specifications for?—A. B. C. fir, I think, all but one contractor may have used pine.

Q. Major McQuarrie referred to that as one respect in which the trucks were not up to specification; he said the tail board should be hardwood?—A. The specification does not call for it or the blue-prints, or the sample.

Q. And you don't think it necessary?—A. I don't think it necessary?

By Mr. Carvell:

Q. Can you honestly say that you have not inspected the painting yet?—A. No, I have not finally inspected it since they have been painted. I have seen a couple of bodies that came in here, and I did not inspect them closely.

Q. Major McQuarrie thought they had been dipped?—A. I may say for the benefit of the Committee that in Woolwich they dip whole wagons in painting them, dip a whole wagon in a tank for painting.

Q. Do you consider that satisfactory?—A. No, I don't consider dipping equal to painting with a brush, not by any means. I don't like dipping myself.

By Mr. Nickle:

Q. That dipping is a common practice?—A. It is, but none of the people painting these bodies have any place that they could dip things to that state, that I have seen of them. On my last tour of inspection I saw some of them where they had given the trimming coat, painting, when I had gone around in the forenoon, and coming back in the afternoon I found a lot of men on the job painting.

Q. Do you call for painting in the specification?—A. Yes, there is a strict clause for painting. Of course, although the specification is drawn up, the very first thing a man who is inspecting is taught is that he is not to see how difficult and how unpleasant and how arduous he can make the work for the contractor, but to see how pleasantly he can get along, and show him and help him along; otherwise, when the next contract is going to come, he is going to charge for all this trouble and worry. That is the first instruction.

Q. I notice in looking over your specification that there is nothing said about the manner of painting, although you may have understood that to be with a brush. Paragraph 12 is the one, and is says:—

12. Before painting, each body is to be inspected unpainted (except as regards parts provided for in paragraph 8), with the bright surfaces, if any, covered with a suitable composition to prevent rusting, after which all wood-

Colonel HURDMAN.

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work is to receive a priming coat of pure lead and oil before assembling, and when body is assembled, to be painted with three coats of Departmental Standard Green, formula and sample of which will be furnished the contractor.

Q. You understood that to mean with a brush?—A. Yes, it is always ~~2~~ with a brush, no question about it.

Q. I do not profess to know anything about it, but I just wanted to get your judgment as to the value of the different methods of painting, because I am told that in large automobile factories they do dip?—A. I don't approve of it.

Q. What do you say about spraying?—A. Well, I don't know; I have seen nothing done with that except in rough work as box cars, that is the only place I have ever seen spraying used or on a fence, the brush rubs it right in.

Q. I should certainly think the brush was the right thing?—A. It is the only right way; I would not stand for any other kind of painting.

By the Chairman:

Q. There has been a good deal said about cottonwood; where is that obtained?—A. From the United States; it is a very soft white wood.

Q. How does it compare with poplar for strength and durability?—A. Our Canadian poplar is a very soft white wood, very similar.

Q. How about the comparison between either of those and British Columbia fir?—A. British Columbia fir is the best wood next to hardwood that we get in pine wood. It will stand a tensile strength greater than—

Mr. CARVELL: Ash.

The WITNESS: Yes, better than ash, unless you get good second-growth white ash.

By the Chairman:

Q. Then you would disapprove of the use of either poplar or cottonwood in the bodies?—A. Yes, I would; I would not have it. I have a plant there to make tests of wood.

By Mr. Carvell:

Q. Would you rather use the black ash?—A. No. I would not have black ash for anything.

The CHAIRMAN: Will you please file the specification and paint formula?—A. Yes, they are as follows:—

Confidential.

Stamped I.C.

151

Inspector of Carriage.

Dec. 14, 1914.

Ottawa.

THREE TON MOTOR TRUCK BODY.

G.S.M.D. Mark 1.

WITH CANVAS COVER, DRIVER'S WATERPROOF APRON, EQUIPMENT BED AND DREADNAUGHT LINE GRIPS, ETC.

SPECIFICATION TO GOVERN MANUFACTURE AND INSPECTION.

Approved December, 1914.

1. *General.*—The body must conform in all particulars with drawings I.C. No. 151, and details, the pattern and this specification. Should any discrepancy be found to exist between drawings and the specifications, reference is to be made to the Inspector of Carriages, Department of Militia and Defence, Ottawa, Ont.

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2. *Construction*.—This body is to separate from but is to rest on the chassis and is to be interchangeable with the body of any other similar chassis. The sills, bunks and stakes of the body are to be of good quality white oak, the bottom boards of a good quality white ash or oak, secured to the cross bunks by suitable screws; the side and boards are to be of good white pine or B.C. fir, and to be secured to the stakes by steel bolts (I.C. No. 1) the bows are to be made of good quality second growth white ash, steamed and bent in one continuous piece to the radius as shown in the drawing. The ridge pole is to be of good quality white ash. The body is to be secured to chassis, by means of four steel body loops (I.C. No. 10), the stakes will be secured to side sills by means of forged steel (I.C. No. 10) stake pockets securely bolted with steel bolts (I.C. No. 1) to frame, the bottom will have bearing strips of band iron secured to floor with No. 12 F.H. iron screws. The top edges of sides and ends are to be protected by steel wearing plates (I.C. No. 6) 2 inches wide, and a suitable steel fastener will be fitted on each side as shown in the drawing.

The tail-gate will be hinged to body by means of forged steel (I.C. No. 10) hinges bolted to tail-gate and rear sill. A suitable chain will be attached to hold tail-gate in position as shown on drawing. The dreadnaught line grips can be purchased, wholesale, from the Doust Specialty Co., 419½ Queen St., West Toronto, Ont. The body is to be fitted with a pair of dreadnaught line grips, attached to the front of front bunk.

The top bows are to be secured to the side of the body by means of forged steel (I.C. No. 1) keepers and each bow will be secured to ridge pole by means of forged steel clips and bolts, an adjustable leather strap will be secured to the front bows by means of hold-backs.

3. *Tarpaulin*.—The tarpaulin is to be made of 40-inch service colour waterproof canvas, weighing 22 oz. per yard, and is made to fit top bows and lashed to body by means of grummets and rope fastenings, each end is to be provided with a draw rope.

4. *Storm apron*.—A driver's waterproof storm apron is to be provided.

5. *Equipment box*.—An equipment box is to be provided as shown on the drawings and is to be secured under the rear end of chassis frame.

GENERAL CONDITIONS.

6. *Drawings*.—Fully dimensioned drawings or tracings of all details are held by the Inspector and all deliveries must conform to these drawings. No departure from them will be accepted unless approval has been obtained.

7. *Samples*.—A sample body can be seen at the office of the Inspector of Carriages, Department of Militia and Defence, Ottawa.

8. *Material and workmanship*.—All material used in making these bodies is to be of the kind and quality specified, and no other kind is to be used without permission. The steel parts, except where otherwise stated, are to be of the best quality forged steel. The timber is to be thoroughly and naturally seasoned and free from objectionable knots, shake sap and other defects.

The foregoing are to be clean, well formed, free from scale and flaws and all welds perfectly sound; the castings clean and free from blowholes and other defects; and all bolts are to be long enough to burr over at the ends to prevent the nuts from coming off; the woodwork well shaped and neatly finished; the joints of framing well and strongly made, and all parts of the work in contact, or inaccessible for painting after completion are to be well coated with good red or white lead before being put together. Where boards are in more than one piece and jointing is necessary, no piece is to be less than three inches in width; the joints are to be properly grooved and cross-tongued.

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The canvas parts are to be wholly of pure long flax or Italian hemp yarn, well hackled, without knots, lumpiness or unevenness of any description, and is to be entirely free from any weighting material, not required in the preparation of good canvas. The finished material must be perfectly dry close and fine in texture, have the edges quite even and the yarn of uniform substance throughout. The canvas is to be thoroughly waterproof; if waterproofing composition is used it must not be applied merely as a superficial coating. The canvas parts must not be liable to spontaneous combustion when in store. The workmanship throughout is to be good, sound and substantial, and to the entire satisfaction of the Inspector.

9. *Interchangeability.*—In addition to these parts specially mentioned, all other detachable parts, must be interchangeable with the corresponding parts of other bodies of the same nature.

10. *Test.*—The materials must conform to the tests laid down in the following test table, and to ensure this, specimens may, at the option of the Inspector, be selected from the various parts, as well as from the materials used in making them, or from the various parts of the completed body. The Contractor is to intimate to the Inspector when the material is ready for inspection, and no material is to be used that has not been approved by the Inspector or an officer deputed by the Inspector.

All parts or material damaged or destroyed by or during testing, must be repaired or replaced, free of cost by the Contractor, to the satisfaction of the Inspector.

A separate list of those parts which must bear the Government stamp in the finished state, as a proof that they have been tested, will be furnished the Contractor by the Inspector. Therefore, if owing to machining or other causes, the Government stamp has to be transferred, the Contractor is to notify the fact to the Inspector.

11. *Test Pieces.*—All test pieces are to be supplied by the Contractor to the Inspector of Carriages, machined to proper dimensions. Dimensions of test pieces, will be furnished to the Contractor by the Inspector.

The several parts of the body must be submitted by the Contractor to the Inspector, or his representative, in batches of a convenient number. A number not exceeding 4 per cent for batches of 100 or more, or not exceeding 4 of any batch less than 100, will be selected for testing.

If any of the test pieces taken, fail to stand the test laid down, the whole batch will be rejected, and the Government stamp will be cancelled by the Inspector, or his representative at a subsequent visit.

MATERIAL.	Quotation Numbers.	TENSILE TEST.				
		Tensile strength per square inch of original area.		Field point.	Longation in a length of two inches and area of O. 25.	
		Minimum.	Maximum		Minimum.	Maximum
	I. C.	Tons.	Tons.	Tons.	Per cent.	Per cent.
Steel bolts.....	1	28	35	13	25	.....
" plate, bar and angle..	6	28	30	.....	27	.....
" forgings, general . . .	10	28	.....	.....	3	.....

If, after examination of 200 parts of any batch, (larger or smaller batches being dealt with proportionately) ten per cent of these parts be found inferior to the standard laid down in this specification, (or incorrect to drawing) the whole batch will be rejected at the discretion of the Inspector.

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Any minor changes in dimensions, designs or general construction found necessary, to be done free of charge by the Contractor.

12. *Painting*.—Before painting, each body is to be inspected unpainted, (except as regards parts provided for in paragraph 8) with the bright surfaces, if any, covered with a suitable composition to prevent rusting, after which all woodwork is to receive a priming coat of pure lead and oil before assembling, and when body is assembled, to be painted with three coats of Departmental Standard Green, formula and sample of which will be furnished the Contractor.

13. *Inspection*.—Any departure from the terms of this specification will involve rejection of bodies, or parts affected.

The bodies may be inspected during manufacture by and, after delivery, will be subject to testing by, and final approval of the Inspector of Carriages, Dept. of Militia and Defence, Ottawa, or an officer deputed by him.

W. G. HURDMAN, Lieut.-Colonel C.A.,
Inspector of Carriages.

Dept. of M. & D., Ottawa, Ont.

N.B.—This specification and the drawings if any, are to be returned to the Inspector of Carriages, Ottawa, Ont., immediately on completion of the tender or contract.

FORMULA FOR SERVICE COLOUR PAINT.

	Stamp.
	Inspector of Carriages,
	Ottawa, Dec. 14, 1914.
	Lbs.
White lead.	55
Turpentine.	4
Oil, Linseed.	14
Black paint, drop, ground in oil.	4
Green, French permanent.	7
Yellow chrome, medium.	14
Japan, brown dryers.	2
	<hr/>
	100
	<hr/>

Sample colour for paint herewith.

W. G. HURDMAN, Lieut.-Colonel C.A.,
Inspector of Carriages.

December 5th, 1914.

Mr. CARVELL: Before you adjourn I wish to make a statement. I thought, from an intimation I heard behind me this morning, that somebody had some doubts about the method in which the receipt which I produced this morning was obtained.

Hon. Mr. REID: No, you explained that.

Mr. CARVELL: I want to have it on record that that receipt came to me through the mails anonymously. I have no knowledge of how it was obtained from Wylie, Limited, or any other person, and I have no knowledge from what source it came. The letter was mailed in Ottawa. I am subject to the Committee, and if any gentleman wishes to examine me under oath I would be willing that he should do so.

Mr. RHODES: When did you receive it?

Mr. CARVELL: Four or five days ago.

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Mr. SHARPE: Have you the envelope which you received it in?

Mr. CARVELL: No.

Mr. BLAIN: Was there nothing in it but the receipt?

Mr. CARVELL: Nothing except the newspaper clipping attached to it, and the party took very good pains that he was not identified, either. I want to tell you that that is not the only anonymous correspondence we have received in the last fortnight.

The Committee adjourned at 9.10 p.m. until 11 o'clock to-morrow.

HOUSE OF COMMONS.

ROOM 100.

SATURDAY, March 27, 1915.

The Select Standing Committee on Public Accounts met at 11 a.m., Mr. Morphy presiding, in the absence of Mr. Middlebro, the Chairman.

The Committee proceeded to the further consideration of "Sessional Paper numbered 122 of the present session of Parliament and all other papers in relation thereto, being copies of correspondence between the Auditor General and the Department of Militia and other departments of the Government, laid upon the Table of the House in respect to expenditures under the War Appropriation Act," referred to them by the House.

Mr. H. W. BROWN recalled.

By Mr. Carvell:

Q. What position do you occupy?—A. Director of Contracts.

Q. In the Militia Department?—A. Yes.

Q. At any time after the 4th day of August last, did you receive any communications from any person or firm wanting to sell field glasses or binoculars?—A. Well, there were some communications; they were not in every case addressed to me. Yes, there were. There was a letter from a Mr. Browne. That letter is with Colonel Hurdman.

Q. What Mr. Browne?—A. Well, I think he is an insurance man here in town.

By Hon. Mr. Reid:

Q. Is he in the binocular business do you know?—A. I do not know.

By Mr. Carvell:

Q. W. J. Browne, is it?—A. I think that is the man.

Q. A real estate man?—A. I have not seen the letter for some months; that is the reason I hesitate. Colonel Hurdman has the letter, and has had it since last August.

Q. To whom was it directed?—A. I am not sure; I think it was possibly to me, and I passed it over to Colonel Hurdman.

Mr. CARVELL: You had better get it from Colonel Hurdman.

Witness procures letter.

Mr. CARVELL: Let me see it, please.

Hon. Mr. REID: What date is that?

Mr. CARVELL: August 26.

Hon. Mr. REID: Read it.

Mr. CARVELL: Perhaps we had better read it (hands witness the letter). Read the annex too. I suppose they all came together.

Mr. H. W. BROWN.

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WITNESS: This is a letter from W. J. Browne to H. W. Brown, dated 26th August.

DEAR SIR,—In regards to our phone yesterday I am to-day sending you three samples of field glasses, viz:—

No. 8X (Megaphos, Paris) Prism Binocular.

No. 8X (Fabt, Paris) Lemaire.

Lemaire Fabt (Paris).

If needing some in the course of a few days you will kindly examine same at your earliest convenience and oblige.

Yours respect'ly,

P.S.—I can deliver you within 7 days 25 each of these sizes and an addition 25 each to follow in the course of a very few days thereafter.

W. J. B.

(Sgd.) W. J. BROWN.

It is accompanied by a letter dated 25th August from Mr. Fripp to Colonel Hughes:—

"DEAR COLONEL HUGHES,—The bearer, Mr. Browne, is one of our friends. Anything you can do for him will be appreciated by,

"Yours sincerely

(Sgd.) "A. E. FRIPP."

By Mr. Carvell:

Q. What is the memorandum attached to it?—A. That is an invoice for the three samples. One of these samples is priced at \$49.75 the second at \$39.80, and the third at \$15.50.

By Mr. Blain:

Q. That was simply an introduction?—A. Yes. There is the receipt from Mr. Browne: "Received 1 pair of glasses, W. J. Browne." Apparently these two were delivered and accepted; the third one was returned to him.

Q. Is there anything on this to show which two pairs were accepted?—A. I think Colonel Hurdman can tell you better than I can, but it looks to me as if the first two had been accepted.

Q. But the cheaper grade has not been accepted?—A. Has not been accepted, yes.

Q. Now, have you any other correspondence, Mr. Brown?—A. I have a file here containing some letters. One is a letter dated 28th October from Mr. Bilsky, addressed to me, offering to supply the Department with glasses.

Q. Just read the letter, please.

By Mr. Nickle:

Q. Where is that letter written from?—A. From Ottawa. (Reads):

"20-24 Rideau St., Ottawa,

OCTOBER, Twenty-eight Nineteen Fourteen.

Mr. H. W. BROWN,
Director of Contracts,
Woods Building,
Slater St., City.

DEAR SIR,—Confirming conversation *re* binoculars. I would be prepared to supply your department through my American agents with one thousand pairs of 8 power prisms, each glass will be guaranteed, proper adjustment. Makers

Mr. H. W. BROWN.

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to consist of Bausch & Lomb, Colombe, Busch, Lisle or other equal good makers of guaranteed glasses.

Same to be delivered at the rate of about one hundred per week, price to be \$45 per pair.

Hoping you will give this your usual prompt attention, I am,

Yours very truly,

(Sgd.) Sam Bilsky."

Q. Were any glasses purchased after that?—A. Yes, an order was given on the 13th of November.

Q. To whom?—A. To the Consolidated Optical Company of Toronto, but that was under an Order in Council, passed prior to the date of this letter.

Q. What was the price of that order?—A. That order was for 8 and 6 power glasses. The 8 power glasses with object lens of 25 millimeters we paid \$32, that is at the factory, and we also bought 6 power glasses with 30 millimeter object lens and we paid \$42 at the factory.

By Mr. Blain:

Q. Where is the factory?—A. The Bausch & Lomb factory is at Rochester.

By Hon. Mr. Reid:

Q. That would mean in bond?—A. We paid the duty on that.

By Mr. Carvell:

Q. And in Bilsky's case the duty was paid?—A. No, but it does not make any difference; I mean that in either case our price would be better than his, because 25 per cent on \$33 would be \$8 which makes \$41 per glass, and his price was \$45 and not the same glass, but for a job lot, that is for Bausch & Lomb, Colombe, Busch, Lisle or others equally good.

By Hon. Mr. Reid:

Q. And the glasses you bought were all of standard pattern?—A. We were buying Bausch & Lomb glasses of the War Office pattern that we knew about, but the Bilsky offer was for a job lot, partly of Bausch & Lomb but the others were to be "equally good"; we were asked to accept glasses, the quality of which had not been demonstrated to be as good.

By Mr. German:

Q. And on all the glasses you afterwards bought you paid 10 per cent, in addition to the invoice price, to Ellis & Company?—A. We bought this lot from the Consolidated Optical Company of Toronto, direct; P. W. Ellis and Company had nothing to do with those.

Q. How many did you buy from the Consolidated Optical Company?—A. 1,000.

Q. And how many did you buy from the Ellis Company altogether?—A. Something over 2,000.

Q. And the Ellis Company got commission on the 2,000?—A. Yes.

Q. All right, is there any other correspondence?—A. Here is a letter from Mr. R. V. Sinclair, dated 23rd of October, to Hon. Mr. Hazen. He is speaking, as I understand it, for Mr. Bilsky, and he offers glasses, 8 power prism binoculars at \$55.

Q. Read the letter.—A. (Reads):

Ottawa, 23rd October, 1914.

Dear Mr. Hazen.—I understand that the Department of Militia and Defence requires a large number of binocular glasses; I am prepared to furnish from 1,000 to 5,000 pairs of 8 power prism binoculars at \$55 (fifty-five) dollars per pair, deliveries of 100 or more pairs per week. In the event of your giving an

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order for the above the Canadian firm associated with me, (Mr. Bilsky & Company, Ltd.) will, in order to carry this out, require to keep \$10,000 on call in each of three cities in the United States. I would therefore like to have payments made as 100 pairs are delivered.

Yours faithfully,
(Sgd.) R. V. Sinclair.

Hon. J. D. Hazen, K.C.,
Ottawa.

Q. Is there anything else?—A. Yes, there is another letter from Mr. Sinclair dated 29th October, to Mr. Hazen.

By Hon. Mr. Reid:

Q. I suppose these letters were sent to Mr. Hazen because he was acting Minister at the time?—A. He was, yes.

Q. The Minister of Militia was, at that time, in the old country, or somewhere else?—A. That is the reason why the letter was addressed to Hon. Mr. Hazen.

By Mr. Carvell:

Q. Read the letter, please?—A. (Reads):

OTTAWA, October 29, 1914.

Re Binoculars.

DEAR MR. HAZEN,—Mr. Bilsky saw Mr. Brown and gave him your letter, but he was quite unable to get any information as to qualities and prices of glasses required by the Department.

Further telephonic communication with New York now enables Mr. Bilsky to offer to supply 1,000 pairs of 8-power prim binoculars of the following makes, viz., Bausch & Lomb, Busch, Colombe Le Fils, at \$45 per pair. The glasses will have to be picked up in lots of 3 or 4, or half a dozen at a time. None can be obtained from the Bausch & Lomb factory. Mr. Bilsky would undertake to supply 100 pairs per week. I will appreciate it very much if you will give him an order for 1,000 pairs on the above terms.

Yours faithfully,

(Sgd.) R. V. Sinclair.

Hon. J. D. HAZEN, K.C.,
Department of Marine and Fisheries,
Ottawa, Canada,

By Hon. Mr. Reid:

Q. That does not say, duty paid, or not?—A. No, sir. As I said a few moments ago it does not matter which it is because ours is still the better price in either case.

By Mr. Blain:

Q. You said in answer to Mr. Carvell's question that you got 2,000 glasses from P. W. Ellis & Company. I did not understand that you got any from the Ellis Company at all, he was engaged by the Department to gather them up.

MR. CARVELL: The cheques went to Mr. Ellis?—A. Well, no, as a matter of actual fact we made an arrangement which technically formed an order to the P. W. Ellis Company to supply certain glasses, for which they received 10 per cent commission; the invoices from the people who supplied the glasses were sent to the Ellis firm, who certified the invoices, and sent them to us with a covering statement of account. We paid the account through the Ellis firm, and they arranged transmission to the others.

Q. Under the agreement?—A. Yes.

MR. H. W. BROWN.

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Q. In other words, the invoices were sent direct to the Government from the people who supplied the goods to Mr. Ellis, under the agreement?—A. No, they did not come to us.

Q. But those invoices would be in the original form?—A. We got the original invoices, oh, yes.

Q. And the invoices of those various firms were accepted?—A. That is right, it was the original invoices, certified by the Ellis firm, carrying out the agreement.

By Mr. Kyte:

Q. That was the same way you bought the drugs from Powell?—A. No, not the same way.

By Mr. Nickle:

Q. You bought on the original invoices through Ellis?—A. Yes, we paid Ellis on his statement, but his statement was supported by the original invoices.

By Mr. German:

Q. Have you anything further?—A. No.

Q. Now have you any answer to any of the correspondence?—A. Yes, the answers are right here on the file.

Q. We might as well have the answers?—A. There is here, I do not know that it is of any interest, a letter from Mr. Hazen to him, which was referred to in Mr. Bilsky's letter, but there is nothing in it.

Q. You had better let us have it.—A. On the 28th of October I wrote in answer to Mr. Bilsky as follows:—(Reads):

"Gentlemen,—

I beg to acknowledge receipt of your letter of the 28th instant, and in reply to inform you that your name will be borne in mind, should any binoculars be required."

Q. That is a very comforting letter?—A. There were no binoculars in sight at the time, as I had already explained to Mr. Bilsky in person. There is a letter from Hon. Mr. Hazen to Mr. Sinclair dated the 24th of October, as follows:—(Reads):

"October 24, 1914.

Dear Mr. Sinclair,—

I have your letter of the 23rd instant with reference to binoculars. I find that the Department of Militia and Defence is being supplied with binoculars at a much more favourable price than the one you quote. It is hardly likely, therefore, that an order can be given to Messrs Bilsky & Company. I am however, having the name of this firm noted should occasion require it.

Yours very truly,

(Sgd) J. D. H.

R. V. Sinclair, Esq., K.C.,
Booth Building,
Ottawa."

Then there is a third letter here dated October 31st from Hon. Mr. Hazen to Mr. Sinclair, as follows:—(Reads):

(ink) D. of C.,
Toronto,
W. D. M.

A. D. M.

This name is on the list.

D. of C.

Mr. H. W. BROWN.

"Dear Mr. Sinclair:

I have your letter of the 29th instant with further reference to binoculars and have noted what you say for consideration should any further orders be placed."

Q. That is all the correspondence?—A. That is the correspondence, yes.

Witness discharged.

Mr. R. V. SINCLAIR called, sworn and examined.

By Mr. Carvell:

Q. What is your occupation or profession?—A. Barrister.

Q. Practising in Ottawa?—A. Yes.

Q. Do you know Mr. Bilsky?—A. Yes.

Q. What is his business?—A. Jeweler, optician, diamond merchant.

Q. Where?—A. In Ottawa, on Rideau street.

Q. Has he been here for some years?—A. Yes, many years.

Q. A well-known firm of jewelers in Ottawa?—A. Yes, a reputable firm.

Q. A reputable firm?—A. Very.

Q. Have they been dealing in glasses, binoculars and things of that kind for many years?—A. I do not know.

Q. Did you have any conversation with them about selling binoculars to the Militia Department?—A. I had with Mr. Bilsky. He asked me to write a letter making an offer as a matter of business.

Q. You wrote the letters produced here?—A. I wrote the letters.

Q. Did you succeed in selling any glasses to the Department for Mr. Bilsky?—A. I do not think that Mr. Bilsky sold any. I did not sell any. I do not sell glasses.

Q. Did you have any personal conversation with Mr. Hazen about it?—A. No, I cannot say that I did. I saw him and gave him the letter and asked him if he could see what could be done.

Q. Did he tell you Bilsky was not on the right side of politics?—A. I don't know whether he is or not.

Q. Did Mr. Hazen tell you he was not on the right side of politics?—A. There was no question of politics discussed between Mr. Hazen and me at any time.

Q. Did you tell Mr. Bilsky the result of your conversation with Mr. Hazen?—A. I told him that I gave him his letters and that Mr. Hazen would see about it. There was no other conversation to tell him about.

Q. That is all the questions I have to ask.

Witness discharged.

Mr. T. M. BIRKETT, called, sworn and examined.

By Mr. Carvell:

Q. You reside in Ottawa, Mr. Birkett?—A. Yes.

Q. What is your business?—A. Well, my business is hardware, principally.

Q. A member of the firm of—A. Thomas Birkett & Son.

By Hon. Mr. Reid:

Q. You are a member of the firm, are you?—A. Yes.

By Mr. Carvell:

Q. And Thomas Birkett is your father?—A. Yes.

Q. Have your firm ever dealt in binoculars?—A. No, sir.

Mr. T. M. BIRKETT.

APPENDIX No. 3

Q. Your business is strictly hardware?—A. Precisely.

Q. And it is an old established firm in Ottawa for many years?—A. Yes.

Q. Are you a member of the Keystone Supply Co?—A. Yes, sir.

Q. When was it organized?—A. 1911.

Q. What time in 1911?

By Hon. Mr. Reid:

Q. Are you a shareholder?—A. He asked me if I was a member of the firm—I cannot give you the date, sir. It was in the fall of 1911.

By Mr. Carvell:

Q. I suppose it would be fair to assume it was after the 21st of September?—

A. Precisely.

Q. And is it simply a firm, or a joint stock company?—A. It is simply myself.

Q. Doing business under the name of the Keystone Supply Co.?—A. Yes.

Q. Have you any partners?—A. No, sir.

Q. Have you any silent partners?—A. No, sir.

Q. Has any person whatever any interest in the profits made from the business?—

A. No, sir.

Q. Have you done business with any other person other than the Government of Canada?—A. Have I done business with others than the Government? No, sir.

Q. Then the Keystone Supply Co., sells goods only to the Government of Canada?—A. Yes, sir, that is anything up to date.

Q. Sufficient unto the day is the evil thereof. Have you divided any of the profits made in selling goods to the Government with any other person?—A. Yes, sir, I have.

Q. Then you have a partner?—A. Well, not necessarily.

Q. Well, however, you argue that out, you have divided your profits with whom?—A. Mr. Taylor.

Q. That is Mr. Alexander Taylor?—A. Yes.

Q. Who is Mr. Taylor?—A. Mr. Taylor is an employee of Thomas Birkett & Son Co.

Q. Then Mr. Taylor, as I understand it, might have some portion of the profits on one transaction and not on another?—A. Precisely.

Q. Did Mr. Taylor get any portion of the profits on the binocular transaction?—A. Yes, sir.

Q. I do not want to go into any other of your business, only the binoculars. Then Mr. Taylor was a partner according to that in the binocular transaction?—A. I suppose he might be termed as such, but he knows nothing about the Keystone Supply Co.

Q. Did you have any other partners in the binocular transaction?—A. No, sir.

Q. Did you try to form any other company or other combination?—A. No, sir.

Q. Didn't you try to make some sort of a combination with Mr. Bilsky?—A. No, sir.

Q. Never was anything like that happened at all?—A. No, sir.

Q. Never was any agreement verbal or otherwise with Mr. Bilsky that you were to furnish glasses?—A. After I received an order from Mr. Ellis. They gave me a straight order at a straight price. Mr. Bilsky approached me and said he had a number of glasses which he would like to sell to me to fill that order. I asked him what he wanted, and he said he wanted a certain price which I said if they could be procured I would take.

Q. What was the number?—A. The number of the order I got was 400 glasses.

Q. Was that the number that Mr. Bilsky was to furnish?—A. No, sir. That is the order I got from Mr. Ellis or his representative.

Q. How many did Mr. Bilsky agree to furnish you?—A. Mr. Bilsky said he thought he could get several hundred.

Mr. T. M. BIRKETT.

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Q. There was no amount named?—A. I could not answer that. I do not think there was any special amount named.

Q. At what price was Bilsky to furnish the glasses to you?—A. He was not to furnish them to me at any particular price. I was to allow him \$5 per glass that he could obtain for me.

Q. That was the arrangement?—A. That is it, sir.

Q. How much were you to get for the glasses from the Government?—A. I was not to get anything from the Government.

Q. From Ellis, I beg your pardon?—A. \$52.

Q. You were selling to Ellis at \$52?—A. Yes.

Q. How many did you say you sold Ellis at \$52?—A. There was 124, I think it was.

Q. We have, I think, the figures here. I thought that Mr. Ellis claimed there were 166?—A. There were 166.

Q. I think that is correct?—A. That is the total amount. There was 42 at \$48, and there was 124 at \$52.

Q. I see. Were they the same make?—A. As for make I cannot tell you what they were.

Q. You are not an optical expert?—A. I am not.

Q. Would Mr. Bilsky know?—A. I do not think so.

Q. Did he see them?—A. No, sir.

Q. You say Bilsky was to get \$5 a piece?—A. Yes, sir.

Q. Was he to get anything else?—A. No, sir.

Q. Was there ever any other agreement?—A. No, sir.

Q. Was there an agreement that anyone else was to get anything besides Bilsky?—A. No, sir.

Q. Was there any proposition to pay Colonel Hurdman any portion of it?—A. No, sir.

Q. No doubt about that at all? Never any written or verbal agreement or any other way at all?—A. No.

By Hon. Mr. Reid:

Q. Was anything paid to Hurdman?—A. No, sir.

By Mr. Carvell:

Q. Did you ever bring any agreement to Mr. Bilsky, say, a proposition to pay \$2 a glass to any other person for incidentals?—A. Not that I can recollect.

Q. No recollection at all. Did you ever sign an agreement with Mr. Bilsky to that effect?—A. No, sir, I do not believe I did.

Q. Did you ever attempt to get Mr. Bilsky to sign an agreement with that condition in it?—A. No, sir, I do not think so.

Q. Perhaps I can refresh your memory (producing document). I did not steal this, Mr. Chairman.

The CHAIRMAN: I am glad to know that.

By Mr. Carvell:

Q. Is that your signature, Mr. Birkett?—A. (Witness examines document). It is my signature, sir.

Q. And is that the signature of Mr. Taylor?—A. As near as I can recollect, it is.

Q. Is that the signature of Mr. Sam Bilsky?—A. I do not know his signature.

Q. Anyway, it is your signature?—A. Yes, sir.

Q. I wish to have this put in evidence. (Reads):

Mr. T. M. BIRKETT.

APPENDIX No. 3

SEPTEMBER 26, 1914.

We the undersigned agree to supply 400 field glasses to the Militia Department for their use.

The profits to be divided as follows, \$2,000 to S. Bilsky, and balance in equal parts to T. M. Birkett and Alex. Taylor.

Signed at Ottawa this Sept. 26, 1914.

SAM BILSKY,
ALEX. TAYLOR,
T. M. BIRKETT.

Witness: JACK BILSKY.

Perhaps the witness had better state: In the first paragraph there are certain words struck out. Will you please read those words?—A. (Reads): "With \$2 deducted from price for incidentals."

Q. On each binocular?—A. That is what it means.

Q. In the second paragraph there are certain words struck out. Will you read those?—A. (Reads): "The \$2 above mentioned to be borne one-half by S. Bilsky and one-quarter each by Birkett and Taylor."

Q. Did you take that document to Mr. Bilsky?—A. As I said to you before there is an agreement to pay him \$5 each. This represents \$2,000 on 400 glasses. This agreement was signed in his office.

Q. And you took it there?—A. Whether I took that there or not I won't say.

Q. Was it not prepared before it was taken to Mr. Bilsky's office?—A. I think so.

Q. And those words were stricken out in his office, isn't that right?—A. I won't say positively.

Q. Didn't you tell Mr. Bilsky that that \$2 per glass was to go to Colonel Hurdman?—A. I don't think so.

Q. Will you swear you did not?—A. I am on my oath.

Q. I want to be positive?—A. Well, I cannot be positive. I don't think I would do that because it has not been my principle. It has not been my principle to do anything such as that.

Q. But these are war times you know. I want you to try and refresh your memory and see if you cannot be positive about it. Cannot you be positive as to whether or not you told him that \$2 a glass was to go to Colonel Hurdman?—A. No, sir, I cannot, as I said before.

Q. And that is the very best recollection you can give?—A. Precisely.

Q. What was the \$2 for?—A. Expenses.

Q. You drew up the document and took it there, what do you mean by incidentals?—A. Incidentals covering part of the expense which it would cost to lay those materials down here, and I tried to have him pay his proportion of that.

Q. Well, let us follow that up. No price is mentioned in this, is there?—A. No.

Q. Therefore would not the cost of buying those glasses and getting them here be taken out of the price before they were sold or after they were sold?—A. Which way do you mean that? I don't quite understand you.

Q. You say that \$2 was to bear a portion of the cost and expense of getting the glasses here?—A. Precisely.

Q. There is no price mentioned at which these were to be sold to the Government?—A. There is a price, less what I gave them.

Q. Is there any price mentioned there as to what you were to sell these glasses to the Government at?—A. No, sir.

Q. Then, if that agreement were carried out you were to divide the proceeds, were you not?—A. Not with Bilsky.

Q. Look at it and see what it says.—A. No, sir, I was to give him \$2,000.

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Q. Mr. Birkett, you may just as well look at the document (handing document to witness) and answer my question.—A. "The profits to be divided as follows."

Hon. Mr. REID: Read the whole thing.

Mr. CARVELL: It has been read once, do you want it read over again?

The CHAIRMAN: I will read it. (Reads):

SEPTEMBER 26, 1914.

"We the undersigned agree to supply 400 field glasses to the Militia Department for their use."

Now comes on obliteration. (Reads):

"With \$2 deducted from price for incidentals."

The initials "S.B.", and "A.T." follow the obliteration. (Continues reading):

"The profits to be divided as follows: \$2,000 to S. Bilsky, and balance in equal parts to T. M. Birkett and Alex. Taylor."

Then follows another obliteration. (Reads):

"The \$2 above mentioned to be borne one-half by S. Bilsky and one-quarter each by Birkett and Taylor."

Following the second obliteration come the initials "S.B.", "A.T.", and "T.M. B." (Continues reading):

"Signed at Ottawa this September 26, 1914."

"SAM. BILSKY."

"ALEX. TAYLOR."

"Witness, JACK BILSKY."

"T. M. BIRKETT."

By Mr. German:

Q. Who is Alex. Taylor?—A. He is an employee of Thomas Birkett & Son.

By Mr. Carvell:

Q. Now, Mr. Birkett, let us go back again. Under this proposed agreement it was only the profits that were to be divided up, was it?—A. With Taylor, yes.

Q. With Taylor and Bilsky?—A. No, sir.

Q. Well, I will read it to you again. (Reads). "The profits to be divided as follows." Now, that would be \$2,000 to Bilsky?—A. Yes, sir.

Q. Would not the profits be what was left after all expenses were paid?—A. Well, I think you are quite right, I think you are about right.

Q. You think I am right? How do you figure there is \$2 to cover the expense of getting the glasses here? Would not the expense of getting them here be taken out in order to arrive at the profits?—A. I know, but we gave him—

Q. The expenses would be taken out in order to arrive at the profits?—A. To get at the net profit it would.

Q. Now, what would that \$2 be for? You say it was not for Colonel Hurdman?—A. Well, it was to cover all incidentals. As I said, there was considerable telephoning and telegraphing and such things.

Q. Yes, but would not that come out before you would arrive at the net profits?—A. Precisely, if I had to get at the net profits.

Q. You would have to take out all those things?—A. Precisely.

Q. What do you mean then by talking about the \$2?—A. I specified the profit to Mr. Bilsky. I bought the glasses from Mr. Bilsky. He does not write as a partner of mine; I bought them from him and agreed to give him \$2,000 for 400, which is \$5 a piece. As I told you a few moments ago, I wanted him to pay a proportion of the incidental expenses.

Mr. T. M. BIRKETT.

APPENDIX No. 3

By Mr. Kyte:

Q. Then you put Bilsky's profits at \$5 per glass?—A. Yes.

Q. Then you and Taylor were to get all you could get out of the Government less those \$5?—A. Precisely.

By Hon. Mr. Reid:

Q. What did you expect your profits to be?—A. That my profits would be \$2.

Q. The \$5 a glass was profit?—A. Yes.

Q. Making \$2,000?—A. Yes.

Q. And you were giving that to Mr. Bilsky?—A. I was.

Q. Then whatever profit you would make would be on what you could sell the glasses to the Government for?—A. Precisely.

Q. What did you sell them at?—A. \$52 and \$48.

Q. What about Mr. Bilsky?—A. We paid him \$5 for each glass.

Q. Then it was \$52 and \$5?—A. No, sir, you—

Q. \$52, less what you paid Mr. Bilsky?—A. Yes sir.

MR. CARVELL: Oh, no. I think you had better let me follow this up. I will try and get this out.

By Mr. Carvell:

Q. Did you have to do with purchasing these glasses yourself?—A. Yes.

Q. What did you do?—A. I did some telegraphing and some telephoning.

Q. With whom?—A. With some gentlemen in New York.

Q. Did you go to New York?—A. No, sir.

Q. Who did?—A. Mr. Taylor.

Q. Who else?—A. Mr. Bilsky.

Q. Mr. Taylor and Mr. Bilsky went to New York? Do you know from whom they bought the glasses?—A. I don't think they know themselves.

Q. Well do you know? I am asking you.—A. I know where they finally came from, yes, sir.

Q. From where?—A. Milton-Harris.

Q. Have you the invoice here?—A. No, sir.

Q. Were the invoices in your name?—A. Yes, sir.

Q. Did they come to the Customs House?—A. Yes, sir.

Q. Are Milton-Harris manufacturers?—A. They are manufacturers in some respects, but so far as binoculars are concerned, I do not know whether they manufacture any or not.

Q. Were these glasses invoiced to the Keystone Supply Company or to T. M. Birkett personally?—A. T. M. Birkett.

Q. Where are those invoices?—A. They are on my files down at the office. I have not got them with me.

Q. We would like you to get them, Mr. Birkett.—A. There are copies in the Customs House.

By Mr. Kyte:

Q. Were these glasses what is known as a job lot?—A. No, sir, they were all new glasses.

Q. I know, but not from the manufacturers?—A. No.

By Hon. Mr. Reid:

Q. Was duty paid on them?—A. Yes, sir.

Q. By whom by you?—A. Yes, sir.

Q. There was \$5 profit, you say, to Bilsky. What profit did you make out of this as the Keystone Company?—A. Well, Doctor, I don't know that I could say definitely what profit I had on those glasses. When this order was placed with me the market

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was in an uproar. You could not get a price that would hold for five minutes at a time. That is why there was such an additional expense in regard to getting them. You would get a telegram in regard to price, "This will hold for an hour". Well, your telegram would not reach you within the hour. You would wire back as quickly as you could but the price had advanced in the meantime.

By Mr. Carvell:

Q. Did you bring copies of the telegrams you sent?—A. I cannot do that, I have not got them.

By Hon. Mr. Reid:

Q. Reference has been made to an alleged payment to Colonel Hurdman. Did you pay any official of the Militia Department any commission at all in any shape or form?—A. No, sir.

Q. Did you pay any official of the Militia Department anything?—A. No, sir.

Q. No official whatever?—A. No, sir.

Q. Did you offer any official anything?—A. No, sir.

By Mr. Sharpe (Ontario):

Q. Who is Mr. Taylor?—A. He is an employee of the Thomas Birkett & Son Company.

Q. And you stated that the \$2.00 incidentals was for the purpose of paying his share of the expenses?—A. I wanted him to allow that from his price. The way the market was it looked to me as if he were going to make more than we would out of it, and I wanted him to allow a portion of the incidental expenses connected with this telephoning and telegraphing.

Q. And you fixed \$2.00 as the amount of the incidentals?—A. I took a jump at that. I wanted him to allow something on it.

By Hon. Mr. Reid:

Q. I do not know whether you told us how many glasses you actually bought from Bilsky?—A. No, I did not tell you. I think what I paid Bilsky was—

Q. Not what you paid, I am asking you how many binoculars you bought from Bilsky & Company.—A. I think it was 118. I think that was the number.

By Mr. Sharpe (Ontario):

Q. Did you have an order for binoculars at the time this agreement was signed?—A. Yes, sir.

Q. From whom?—A. Ellis of Toronto.

Q. Had you any negotiations with Colonel Hurdman?—A. No. I heard of binoculars being required and that they were being purchased through Colonel Hurdman.

Q. Did you have any negotiations with Colonel Hurdman?—A. I was just going to tell you that I approached Colonel Hurdman and asked him if it was the case that binoculars would be required, because if so I could get some. He told me that they would, and that they were being purchased through Ellis. Then I got into communication with Ellis and got an order for 400 at a specified price.

By Mr. Blain:

Q. You did not supply them all?—A. I could not obtain them.

Q. Why?—A. Because the different Governments of the countries which were in trouble were all trying to buy from the same makers.

Q. Who told you that Colonel Hurdman was after binoculars? You said you heard the rumour, where did you hear it?—A. I could not give you the names on that, I don't know who it was; but you take any of the orders which have been going from the Department, they are so large, it seems to be common gossip all over the City.

Mr. T. M. BIRKETT.

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By Mr. German:

Q. How many glasses in all did you supply the P. W. Ellis Company for the Government?—A. 166.

Q. Well then, did you supply the Government with glasses beyond what you supplied to Ellis?—A. No, sir.

Q. Then it was only 166 glasses you supplied?—A. I think that is right.

Q. Then where does this \$2,000 commission at \$5 per glass come in?—A. My order which I received specified 400 glasses at \$52 per pair, and whatever I paid Mr. Bilsky had to come out of that.

Q. Mr. Ellis gave you an order for 400 field glasses?—A. Yes.

Q. At what price?—A. \$52.

Q. For a certain dimension of glass?—A. Yes.

Q. What dimension?—A. Some 8 power and some 6 power, and they were by different makers.

Q. But all the same price?—A. Yes.

Q. \$52 for all sizes?—A. Yes.

Q. After you got that order did you go to Bilsky?—A. No, Bilsky came to me.

Q. Did Mr. Bilsky tell you he had been endeavouring to sell glasses to the Government and had failed to do so?—A. Not that I can recollect.

Q. Is your memory bad? Anyone would think you could recollect that if you recollect anything?—A. I do not remember.

Q. You do not remember Mr. Bilsky telling you that he had endeavoured to sell glasses to the Government, and having failed had come to you to see if he could not work it through you?—A. I have a recollection that there was something of that kind said, but I cannot remember what it was.

Q. And Ellis knew that neither the Keystone Supply Company nor the Birkett Company dealt in field glasses, didn't he?—A. The Birkett Company had nothing to do with this.

Q. But Ellis knew that the Keystone Company had nothing to do with field glasses, didn't he?—A. I do not know whether he did or not.

Q. Did he come to you and did you write to Ellis?—A. He came over to me.

Q. Who came to you?—A. Mr. Mason.

Q. You had known Mr. Mason before, I suppose?—A. No, he introduced himself to me.

Q. How did he happen to come to you?—A. I do not know.

Q. You had not written to him?—A. No.

Q. You had not written to Ellis?—A. No.

Q. Did he not tell you how it was he came to you?—A. He came to me as I presume from Colonel Hurdman's office.

Q. Having knowledge from Colonel Hurdman that you had glasses to sell?—A. I had asked Colonel Hurdman if glasses were required and told him I thought I could obtain some.

Q. And then Mr. Mason came to you and gave you an order for 400 glasses that day?—A. Yes.

Q. That day?—A. Yes.

Q. At \$52 each?—A. Yes.

Q. And having got the order you put yourself into communication with Mr. Bilsky, did you?—A. Mr. Bilsky came to me.

Q. Did he come to you after Mr. Mason had seen you or before?—A. It was after that.

Q. How would Bilsky know that you had obtained an order unless you told him?—A. I don't know, sir.

Q. Did you tell him.—A. Tell whom?

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Q. Did you tell Bilsky?—A. He asked me if I had and I said yes.

Q. Then he knew you were endeavouring to get an order from the Government?—

A. He did.

Q. He came and asked you if you had it, you told him you had, and told him the number, 400?—A. Yes.

Q. And you told him the price, \$52?—A. I think I did, probably.

Q. I presume this agreement that has been put in here to-day was drawn up showing his profit?—A. Yes.

Q. And you put yourself into communication with the New York people?—A. Yes.

Q. To procure the glasses?—A. Yes.

Q. How many did you succeed in procuring from the New York people?—A. As I said, I think it was 118.

Q. And that is all you succeeded in procuring?—A. Yes.

Q. And did Mr. Bilsky procure them?—A. No, sir.

Q. Who did?—A. Mr. Bilsky said, as I stated before, that he could make delivery of the glasses. So I sent Mr. Taylor to New York in company with Mr. Bilsky to get these glasses. Mr. Taylor carried the money and when he got to New York the glasses were not obtainable, as Mr. Bilsky said they were.

Q. What next?—A. There was something like 36, I think there were two lots came, one of somewhere about 24 and one of 12, making about 36.

Q. How much did you pay for these to the New York firm?—A. I cannot say.

Q. You cannot say how much you paid for them?—A. No, sir, I can't.

Q. You have told Mr. Carvell that you had invoices?—A. There are invoices.

Q. Have you the invoices of those 36?—A. I am only saying 36 from memory, I have invoices of every lot that came in.

Q. Showing the correct price that you paid the people in New York?—A. Yes.

Q. And you pay the duty on those prices, do you?—A. Yes.

Q. Is that all the glasses you got in New York?—A. No, sir, it is not.

Q. How many did you get there?—A. I got the whole 166 in New York.

Q. You have said here that you got some from Mr. Bilsky?—A. No, I do not say that I bought a glass from Mr. Bilsky, I did not buy a solitary glass from Mr. Bilsky.

Q. Your evidence is down that way, I am pretty certain that your evidence is that you bought the glasses from Bilsky.—A. No, sir, Mr. Bilsky said he could get into communication with persons from whom certain glasses could be got, and I asked him what he demanded of me for those glasses, and he said \$5 each. He said that cash had to be paid; I was not giving cash to Mr. Bilsky or anybody else but myself, so I sent Mr. Taylor to New York.

Q. And Mr. Bilsky went with him?—A. Yes, to show the place where the glasses were to be obtained.

Q. And, of course, Mr. Bilsky knew the price that you were paying in New York?—A. I do not know whether he did or not.

By Mr. Carvell:

Q. Did you ever hear that the difficulty in purchasing glasses in New York was that Mr. Taylor did not have the money?—A. That I ever heard it?

Q. Yes?—A. I don't think so, he had the money.

Q. Did you not receive correspondence about it?—A. I received correspondence stating that he wanted more.

Q. You had not received correspondence that the men were waiting around the office for their money and that he did not produce it? And that the men were waiting around for an hour, and then for another hour, and that it didn't come?—A. No, there was no truth in any such report.

Q. You do not know that that was the reason Mr. Bilsky did not succeed in getting any more glasses for you?—A. No, I do not—when that report was in circulation I asked Mr. Bilsky himself and he said there was no truth in it.

Mr. T. M. BIRKETT.

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By Mr. Rhodes:

Q. I think you have already said you sold 166 of those binoculars to the Department?—A. Yes.

Q. And that you purchased 118 in association with Mr. Bilsky?—A. Yes.

Q. What about the 48 others?—A. I got them from a personal friend of mine in New York.

Q. You did not get those in association with Mr. Bilsky at all?—A. No, sir.

By Mr. Carvell:

Q. Who was the personal friend?—A. Mr. Blackburn.

Q. How many were there?—A. 42 or 48.

Q. And you got them from Mr. Blackburn, who is he?—A. A gentleman I have known for years.

Q. What is his business?—A. He is connected with a sporting goods house in New York.

Q. And did you get an invoice for them?—A. Yes.

Q. Now can you tell this Committee what you paid per pair for these 48 glasses, your memory must be good enough for that, Mr. Birkett?—A. I haven't looked it up, I could not tell you exactly, because it was figured from time to time, I put out money from time to time for different expenses, connected with it, but the glasses averaged me considerably over \$40 a piece.

Q. That is not the invoice price, is it?—A. No, sir, that is not the invoice price.

Q. Now, I would like to get down to the invoice price if you can remember. You know this is important because Mr. Ellis as a patriotic duty was buying these without any middlemen or speculators, he was the man who was breaking the combine, and we would like to know what it cost. We have no objection to your making a profit at all, but we would like to show this patriot from Toronto, where they are all patriots, what the profit was.

Mr. NICKLE: Will not the invoices show that?

By Mr. Carvell:

Q. Now take these 48 glasses that you got from your friend, Mr. Blackburn, cannot you give some approximation as to the price per pair in the invoice?—A. I cannot, but it is around \$30.

Q. It is around \$30?—A. Yes.

Q. All right. Now let us go back to those you got from New York, I want you to bring your very best recollection to bring on those; there are 118 pairs, I understand, or thereabouts, what do you say would be the invoice price for those?—A. I cannot tell you definitely, all I can say is approximately.

Q. Mr. Birkett, are there not glasses in that lot that didn't cost you \$15 per pair?—A. No, sir.

Q. In New York?—A. No, sir.

Q. Nothing as low as that?—A. No.

Q. What would be the lowest price—\$18?—A. The lowest price is \$20,—and something, what it is I do not know.

Q. And you sold them for \$52, with the duty on and expenses?—A. Some of them ran away up into \$30, if I remember correctly it was \$33.

Q. Will you bring your invoices, and then we will know; and I want you to bring also any account showing your expenses, and a copy of all your telegrams; and everything you can possibly dig up that will show your expenditure, and show your cost in furnishing these glasses?—A. I will do the utmost I can.

By Hon. Mr. Reid:

Q. I have been under the impression that you purchased your glasses from Bilsky. This agreement reads:

Mr. T. M. BIRKETT.

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"We the undersigned agree to supply 400 field glasses to the Militia Department for their use. The profits to be divided as follows: \$2000 to S. Bilsky, and balance in equal parts to T. M. Birkett and Alex. Taylor."

I would take that agreement to mean that Bilsky, Taylor and Birkett were all joint factors in this transaction, selling to the Government and that the profits of course were divided, Bilsky, of course, getting the larger proportion of the profit. Was that the position?

Mr. Carvell: The smaller portion, \$5.00 out of \$30.—A. I do not understand that.

Q. What I was asking you was, did you purchase those glasses from Bilsky, or were you going partners in the sale of them?—A. I do not think the term "purchasing" can be used. He said he could obtain these if I paid him so much per glass, and I agreed to pay him so much on every glass. That is all the connection he had with it, and the only connection.

By Mr. German:

Q. He didn't get \$2,000 he got \$5 per glass?—A. He got \$5 per glass for any glass, whether he had anything to do with them or not. He got it on every glass we got through that man in New York, whether he had anything to do with it or not.

By Mr. Sharpe (Ontario):

Q. Did he get the \$5.00 on those you got from your personal friend?—A. No, he did not get it on them.

Q. You got an order for 400 glasses from the Militia Department?—A. Yes.

Q. You accepted the order and have not filled it?—A. No sir.

Q. What could it be filled for to-day?—A. I do not suppose it could be filled under \$60 or \$70.

Q. You will be willing to fill it now, I suppose?—A. No, the order was taken from me, Mr. Ellis gave me a certain date to make delivery, and I could not obtain a sufficient number of glasses in that time, and he, I believe, purchased elsewhere.

Q. Did he write you cancelling your obligation?—A. I think he did, I would not be positive.

By Mr. Kyte:

Q. Did Mr. Ellis make the bargain with you to purchase 400 glasses at \$52?—A. Mr. Ellis gave me a straight order for 400 glasses at \$52 per glass.

Q. And you could have obtained those 400 glasses at \$10, \$20, or \$30, and you would have sold them all to Mr. Ellis for \$52, making a profit of the difference?—A. No, sir.

Q. Less the duty?—A. There is the duty to be added, and there is a restriction on the kind of glasses.

Q. Do not get away from this, that you had contracted with the Ellis Company to supply them with 400 glasses at \$52, and if you had been successful in obtaining them in New York at \$18, \$20, or \$30, as the case might be, you could deliver them all to Ellis under the agreement for \$52?—A. Provided they were passable.

By Mr. Carvell:

Q. Who inspected the glasses under your agreement?—A. Well, the glasses were delivered.

Q. Which of the inspectors?—A. I do not know who of the inspectors here. They were delivered to some office on Queen street to be inspected.

Q. Is there nothing in your contract about inspection?—A. In my order there are specified certain makes of glasses with certain powers, were the only ones that would be accepted, and that Colonel Hurdman's name was mentioned as having to be suitable to him. Whether he himself inspected the glasses I do not know.

Q. Perhaps I am not using the right term. Who did you have to satisfy in order to get your glasses used?—A. Whoever inspected the goods.

MR. T. M. BIRKETT.

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Q. Who was that?—A. I do not know.

Q. Was there any other man's name mentioned other than Colonel Hurdman?—
A. No, sir.

Q. As long as you satisfied Colonel Hurdman you fulfilled your contract?—A. I presume so.

Q. Will you also bring when you come again another document, your order from Ellis?—A. I cannot bring you that; it was only a verbal order.

Q. A verbal order?—A. Precisely.

Q. And this patriot is buying glasses at the rate of \$20,000 lots verbally. There is no written order?—A. No, sir, never was.

Q. Can you get these invoices and papers for this afternoon?—A. I will endeavour to.

Witness retired.

Mr. G. C. HURDMAN called, sworn and examined.

By Mr. Carvell:

Q. You are a resident of Ottawa, are you?—A. I am.

Q. You are a member of the Legislative Assembly of Ontario from the city of Ottawa?—A. I am.

Q. What is your business?—A. Lumber merchant, wholesale dealer.

Q. Did you have anything to do with attempting to obtain orders from the Militia Department for the sale of binoculars?—A. Well, in a casual way, investigating the source of the orders for Mr. Bell.

Q. Who was Mr. Bell?—A. He was a commission broker in the city here, a real estate and stock broker, a general commission broker. He asked me to see Colonel Hurdman, probably because I was a relative; and Colonel Hurdman told me that the orders were all in the hands, so far as he knew, of the Ellis Co.

Q. At what time was that?—A. It was in the early autumn, I should think. Perhaps it would be September. I have not a clear recollection of any date.

Q. Did you have any other conversation with Hurdman?—A. Yes, I think I saw him several times.

Q. Can you tell us the result?—A. There were no results except that Colonel Hurdman told me that the Ellis people were still buying, and I told him where I knew of a source of supply of some hundred glasses.

Q. What did you tell him?—A. I told him that I could get a hundred pair of glasses in a very short time.

Q. Did you tell him from whom?—A. I do not know that I told him the name. I told him they would be from a broker in New York.

Q. What did he say?—A. He promised to take the matter up with the Ellis Co. He told me that he expected the representative of the Ellis Co. in the city that day or the following day. That is the last I heard of it. I did not get the order.

Q. Did you go to see anybody else?—A. I saw the Deputy Minister.

Q. Colonel Fiset?—A. And I asked Colonel Fiset what the situation was regarding these glasses. There seemed to be a lot of people chasing after orders for glasses. I did not want to waste my time or anybody else's time in investigating, and I thought the shortcut would be to find out from Colonel Fiset. And he told me there were no orders pending, that the Ellis Company had a blanket order or something to that effect, that they had a commission to purchase all glasses that might be required, and he thought that they were at that time filled; as far as his knowledge was, the Department were filled.

By the Chairman:

Q. Can you fix that date?—A. I might be able to locate the date, but I would not venture a guess on the date. I think I could probably locate the date.

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By Mr. Carvell:

Q. You said that you went there on behalf of a Mr. Bell? Do you know whether or not Mr. Bell did get an order large or small?—A. I think he did get a small order for a few.

Q. Would it be after you went there?—A. I think it was after I went there. I do not remember him thanking me for getting the order.

Q. Then you do not think he got it through your good offices?—A. I do not think so.

Q. The substance of it is that after your interview with both Colonel Hurdman and General Fiset you were satisfied that nobody could sell glasses excepting through the Ellis Co.?—A. Yes, that was my conclusion.

By Mr. Rhodes:

Q. What relation are you to Colonel Hurdman?—A. A cousin.

Q. Did your endeavour to dip into the realm of selling field glasses arise from Mr. Bell's going to you in the first instance?—A. I think, as far as I can recollect, I heard considerable discussion of field glasses through my association with Bilsky.

Q. You had been discussing the matter with Mr. Bilsky?—A. Yes, I had, going home.

Q. Were your efforts directed on your own account or on his account?—A. On my own account, I did not have an arrangement with anybody. When I went to the Colonel in reference—

Q. Colonel who?—A. Colonel Hurdman,—in reference to the large lot of a hundred pair, that was my last effort, it was through information I got from Bilsky.

Q. Was it on your own account that you went to the Colonel?—A. Absolutely on my own account.

Q. Did you sell them on your own account?—A. Yes, or on anybody's I might think of. I had not formulated any plan.

Q. You were at that time negotiating with a view to locating a hundred?—A. No, I had located them.

Q. It was your purpose to sell them to the Government?—A. Exactly.

Q. Through Ellis and Co.?—A. I did not know who. I found out at that time that the Ellis firm were the real purchasers.

Q. Had you ever been in the business of selling glasses before?—A. No.

Q. Your business is lumber?—A. Yes.

By Hon. Mr. Reid:

Q. Did you expect to make a profit?—A. I suppose I did.

Q. You were not doing it for patriotism?—A. No, hardly.

By Mr. Carvell:

Q. Had you the glasses located?—A. Yes.

Q. You knew where you could get a hundred glasses?—A. Yes.

Q. And you knew the prices you were paying for them?—A. Yes, I had that at the time.

Q. Did you communicate that to Colonel Hurdman, the cost?—A. Oh, yes, I told him what they could be laid down for.

Q. What did you tell him?—A. For \$42.

Q. Was that duty paid?—A. All charges paid.

Q. Did you tell him what kind of glasses?—A. Bausch & Lomb glasses.

Q. With the duty paid at \$42?—A. Yes.

By Hon. Mr. Reid:

Q. And you would sell them to the Government for that?—A. Yes, to Ellis or anybody else who were purchasing.

MR. G. C. HURDMAN.

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By Mr. Sharpe (Ont.):

Q. What did they cost you?—A. I could not tell you from memory. I could get the information.

Q. Would you make a profit of \$10 a glass?—A. I do not think so.

By Hon. Mr. Reid:

Q. You had better bring the information?—A. I can get it.

Mr. GERMAN: It is important to get the date you ascertained no more glasses would be supplied. I would like to know the date you offered the glasses at \$42.

By Mr. Sharpe (Ont.):

Q. You can give the Committee an idea of the approximate profit?—A. No, I could not tell you whether it would be \$5, \$4, or what it was.

Q. You can find out that information?—A. I think I can.

Q. You are the Liberal local member here in Ottawa?—A. I am.

By Mr. Rhodes:

Q. Did you say that you made a firm offer to Mr. Ellis?—A. No, I never saw Ellis.

Q. Who did you make your offer to?—A. Colonel Hurdman. I think I went to Colonel Hurdman—to put the matter absolutely straight and to be fair to Colonel Hurdman—I went to the Colonel and asked him if, in his opinion, there would be any use in submitting an offer of 100 glasses to Ellis & Co., as I had by accident fallen on a source of supply of 100 glasses; and that these glasses had to be moved immediately, and could be delivered within 74 hours, or something of that kind.

Q. What kind of glasses were they, the 100?—A. Bausch & Lomb.

Q. What size?—A. I cannot tell you, but I will get you the information.

Q. You have all of that?—A. If I have not lost it.

Q. This afternoon I wish you would bring all correspondence, invoices and quotations to the Committee?—A. I will if I can locate it. I am not dealing in optical goods.

Q. Would that not be all the more reason why you could locate this correspondence?

By Mr. Carvell:

Q. Who were you working for?—A. I was trying to help Bilsky.

By Mr. Sharpe (Ont.):

Q. What was to be your profit?—A. I have no arrangement.

By Hon. Mr. Reid:

Q. You had no arrangement?—A. I did not have any profit arranged with Bilsky at all. It was left entirely with Bilsky.

By Mr. Carvell:

Q. Didn't Colonel Hurdman ask you at that time if these glasses were coming through Bilsky?—A. It was not at that time.

Q. What did he say?—A. When I went to see him about an order from Bell, I thought Bilsky was barred from getting any orders.

Q. Why?—A. I do not think he said.

Q. Is not Bilsky a Liberal in politics?—A. I have always known him as a Liberal.

By Mr. Rhodes:

Q. Was it your intention to share your profit with Bilsky?—A. I have not any arrangement. I had this offer with Bilsky. It was Bilsky's telegram.

Q. Bilsky offered to sell the glasses to you at a certain price?—A. Bilsky told me to offer the glasses at \$42 to the Government. To get at this I will have to get that from Bilsky.

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By Mr. Sharpe (Ont.):

Q. You expected a division of profit from Bilsky?—A. I won't say that I did. I might be doing it for friendship.

Q. You were not expecting to act for nothing?—A. I won't say one way or the other.

By Mr. Rhodes:

Q. I understood when I first started to ask you a few questions that you were doing this entirely of yourself?—A. Exactly.

Q. Now you say you were doing it in association with Bilsky?—A. I went there without anybody knowing. I was interested for anybody else. I did not want to prejudice Colonel Hurdman against giving me an order knowing that there was a prejudice on his part against dealing with Bilsky for some reason or other.

Q. But you were interested with Bilsky in this transaction?—A. I had no arrangement with Bilsky.

Q. Will you say you were getting the order for Bilsky?—A. Yes, I was getting the order for Bilsky.

Q. How does that answer correspond with your answer that you were taking it on your own account?—A. I should say that still. I did not take Bilsky down there to talk for me.

Q. A while ago I understood you to say that in the first instance you went to Colonel Hurdman because of the conversation you had with Mr. Bell, a commission merchant.—A. That is right.

Q. What were your relations with Bell?—A. Nothing at all; merely a matter of friendship. I did not expect to get a nickel.

Q. Were you going to divide the order between Bell and Bilsky?—A. No, I did not know of any connection between them.

Q. You did not intend to divide the profits?—A. I had not any profits at any time.

Q. Were you going there jointly, at the instance of Bell and Bilsky?—A. No, purely for Bell.

Q. I thought you were going purely for Bilsky?—A. Yes, later.

Q. So you had two different visits?—A. Several.

Q. One was at the instance of Mr. Bell?—A. Yes, the first.

Q. And the second was at the instance of Bilsky?—A. Well, some other one; there might have been more than one for Bell.

Q. You also say you went on your own?—A. Ostensibly on my own.

By Mr. Sharpe:

Q. Who was to get the profit out of the transaction?—A. Bell.

Q. That is you went about the one hundred order?—A. I did not have any profit at all. Bilsky was going to make a profit—I had not any profit. I had not any arrangement at all; I was not participating in any profit.

Q. You said you expected to make a profit out of it.

By Hon. Mr. Reid:

Q. You told me that?—A. I had not any arrangement.

Q. Did you not say that you expected to make a profit?—A. I might have said I had a hope.

Q. You said you expected to make a profit?—A. I looked at it this way: If this order was secured, I thought—but there was no arrangement with Bilsky; you understand that.

Mr. NICKLE: A joint agreement I suppose

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By Hon. Mr. Reid:

Q. Explain that. I understood you to say that you expected to make a profit?—A. No, I was asked that several times. I said I did not know how much profit there would be; I supposed there would be an 'orarium,' (honorarium), or something.

By Mr. Blain:

Q. You said, in answer to a question, that when you went to see Colonel Hurdman you told him you had accidentally dropped on one hundred binoculars?—A. Yes.

Q. Explain that.—A. I have explained it.

Q. I did not hear it.—A. I told him I had informaton; I did not tell him the source of information; I did not want to prejudice him. You remember me explaining that.

Q. Not in that way.—A. I explained just as I am explaining now. I have no hesitancy in doing so. I knew where one hundred binoculars at a certain time could be procured on very short notice, and I think I intimated to Colonel Hurdman where they would come from.

Q. Where was that?—A. New York.

Q. From whom?—A. I do not know whether I told him; it is not likely I told him the name.

Q. Do you know the name?—A. I think his name was Harris

Mr. CARVELL: That is right.

By Mr. Blain:

Q. How did you get the name—by correspondence?—A. I got the telegram from Bilsky.

Q. What did the telegram contain?—A. Well, my memory is not good enough to tell you.

Q. Where did it come from?—A. From Harris.

Mr. KYTE: The crossing of the T's and the dotting of the I's do not appear to give satisfaction to our friend from Peel.

By the Chairman:

Q. Have you got the original telegram?—A. No, I gave it back to Bilsky

The CHAIRMAN: Bilsky will be here.

By Mr. Fripp:

Q. Did you tell Hurdman the price?—A. Yes, \$42.

Q. Laid down in Ottawa?—A. Yes, delivered. To make matters absolutely clear, Hurdman said he would communicate my offer to the Ellis Company, and I did not press the matter. I did not hear anything more about it. Time was the essence of the order. It was a matter that had to be treated expeditiously, because the glasses had to be moved immediately.

By Mr. Blain:

Q. Why?—A. Because this broker could not hold them indefinitely, and if Bilsky did not take them other people might want them.

Q. Was there uncertainty?—A. I judged there might have been.

By Mr. Nickle:

Q. You used the expression that you ostensibly went on your own account, as you did not want to prejudice Bilsky.—A. I have explained that.

Q. Explain it again.—A. If the gentleman will tell me what he wants to get at.

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Q. I want to know why you went ostensibly on your own account.—A. I told the Committee a few moments ago that I understood, I had a feeling, through some friends of Colonel Hurdman that he was prejudiced against Bilsky.

Q. Personally or politically?—A. Well, I think personally.

Q. And that he would not be prejudiced against you as a cousin?—A. Well, I may have had that feeling.

Q. And blood is thicker than water?—A. It may have.

Q. And an honorarium and a rake-off are synonymous terms.—A. I don't understand that.

Q. And you won't deny it?

By Mr. Rhodes:

Q. Did Bilsky approach you and ask you to go to Colonel Hurdman for the purpose of endeavouring to sell those binoculars?—A. Pardon?

Q. Did Bilsky approach you and ask you to see Colonel Hurdman and endeavour to sell those binoculars?—A. I think he might have.

Q. Is that the strongest you could make it? Are you not sure that he did or did not?—A. I do not like to say. He may have spoken to me about it; or whether I acted for Bilsky in that way, I do not know.

Q. Who went to you in the first instance. Bilsky or Bell?—A. Bell.

Q. What did Mr. Bell say to you?—A. I cannot tell you what he said. He would probably ask me to see Colonel Hurdman, and see if I could not induce him to give an order; that he had ample reference as to his good standing, and through Mr. Fripp, I think he showed me a letter telling him that he was a personal friend of the Minister, the Hon. Major General, and all he needed was a proper introduction to Colonel Hurdman. I did not know at that time but that Mr. Hurdman might be purchasing; I was absolutely ignorant, until I heard from Hurdman that he had no power to place orders. I also found the same from Colonel Fiset.

Q. Mr. Bell asked you to see Hurdman?—A. Yes.

Q. Did he say he had glasses in hand to sell?—A. Yes.

Q. How many?—A. I do not remember; any quantity I think.

Q. Did Mr. Bilsky intimate to you that you would be the best person to approach Colonel Hurdman?—A. I do not think so.

Q. Did he make any reference as to the reason he did not go himself?—A. I do not know that he did.

Q. Would you say that he did or did not?—A. I would not say.

Q. Did he make any reference to your relationship to Colonel Hurdman?—A. I do not think he did; he would not necessarily need to.

By Hon. Mr. Reid:

Q. He knew you were cousins?—A. Cousins, and good friends.

By Mr. Rhodes:

Q. What other persons, if any, asked you to approach Colonel Hurdman, with a view to selling glasses?—A. I have not at the moment any recollection of any other.

Q. Might there have been others?—A. I do not think so.

Q. Did any other firms, or corporations, or group of individuals, ask you to approach Colonel Hurdman with a view to selling binoculars?—A. I do not think so.

Q. None other than Bilsky and Bell?—A. No; Bilsky of course was subsequent to Bell.

Q. Bell came in the first instance?—A. In the first instance.

By Hon. Mr. Reid:

Q. Are binoculars the only thing you tried to sell to this department?—A. I do not think I ever tried selling them anything else, and I did not do that with any desire to impose myself upon the Militia Department, merely to help the others.

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Q. And to make some money yourself, as you stated?

Mr. GERMAN: He said he thought he might get something out of it.

By Mr. Sharpe:

Q. He said he did it for the purpose of making money?—A. That is problematical whether I would get any profit or not.

Q. I asked you——?—A. And I told you that.

By Mr. Rhodes:

Q. You will bring that written memorandum?—A. I do not think I have very much of anything. I had at the time I went to see Colonel Hurdman on that hurried order. The telegram had just come into Bilsky's, and in going to lunch with Bilsky that day he showed me his telegram. I said: "Hang it all; perhaps I can get Colonel Hurdman to assist you in moving those for you," I handed the telegram back to Bilsky.

By Mr. Nickle:

Q. Was this the first time you assumed the role of middleman in the Militia Department?—A. Middleman?

Q. As a go-between?—A. I think so, unless you can refresh my memory.

Q. You have not been in the habit of selling to the Government?—A. Yes, I sold lumber to the Government in years gone by.

Q. Anything else?—A. No, I do not recollect anything else.

Q. Did you never endeavour to sell any other stuff to the Government?—A. I do not think so, unless I may have taken some man there that had goods to sell, to introduce him to some of the officials, all of whom I knew very well. Oh, yes, you have refreshed my memory. I think I saw Colonel Hurdman in reference to making some inquiries about motor trucks for some motor people that were here, the time the trade were seeing Mr. Thomas's Board.

By Mr. Rhodes:

Q. Who were they?

Mr. CARVELL: Major Thomas, if you please.

By Mr. Nickle:

Q. Who were the motor men?—A. I could tell you by looking up the correspondence in my office. I had not any arrangement with them.

By Hon. Mr. Reid:

Q. Were you doing the same thing, representing that you wanted to sell them on their account?—A. No; what I was doing for them was to try to get some advance information as to what move the Department of Militia, or what decision they might come to.

Q. Not to sell?—A. No.

By Mr. Nickle:

Q. What do you mean by the expression, 'advance information'?—A. You can use it in any way you want.

Q. I want to know how you use it?—A. Information that I might pick up for them as being in close touch with the Militia Department, and in that way they would perhaps have information earlier than they would get in the course of correspondence.

Q. What do you mean by close touch? it is your adjectives that bother me.—A. What is a lawyer; is he not in close touch when he is on the ground?

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Q. Then you are in a position to learn what is going on ahead of other people?—

A. I was in a position to learn what might be going on more readily than those people who were away out in Wisconsin, in the Western States.

Q. Was it a question of their geographical situation, or your relationship with Hurdman?—A. The geographical situation.

Q. Entirely?—A. Wholly.

Q. Was Bilsky not on the ground?—A. That is a different situation; it is not a parallel situation.

Q. Then it was not geographical?

Mr. GERMAN: It is an absolutely different case.

The WITNESS: I do not agree with the gentleman's delineation

Mr. GERMAN: Be fair to the witness.

Mr. NICKLE: I think he can look after himself.

By Mr. Nickle:

Q. What you were really doing was this: You had been in the habit of doing business round the Departments?—A. No.

Q. You say "No"?—A. I have been looking after my own business.

Q. Did you not do business with the Government?—A. I am very familiar with the officials of all Departments, having had access to them prior to 1911.

Q. And when the change came, putting the new party into power, old friends would naturally look to the old source of advantage.—A. I don't know that they did. I don't know that it was very much use to them.

Q. I say that old friends would naturally look to you?—A. I haven't got anything to say, go ahead.

Q. I want you to say. You are the witness?—A. All right, put your question.

Q. I ask you whether your old friends did not still continue to look to you as being in an advantageous sort of position?—A. I don't know that I had any old friends that were particularly anxious to use my services.

Q. Let us be frank. Did not people come to you because they thought you could influence your cousin and so obtain advance information?—A. Oh, I don't know, I'm sure.

Q. Will you deny it?—A. Yes, I think I might probably just as well.

Q. And you think that this is the truth?—A. I think so.

Q. And it was not because you were in close touch with the officials of the Department?—A. Oh, I don't know, they might have gone to somebody else who would have been of more value to them.

Q. I ask you what they thought, as you understand it?—A. I don't know what they thought.

Q. Why did they come to you?—A. I don't know why they came to me.

Q. Why did you go to the Department?—A. I was simply asked to go, that is why I went.

Q. You did everything you were asked, did you?—A. I would do things sometimes for friends.

Q. And that is all you have got to say?—A. Yes.

By Mr. Rhodes:

Q. Are you a barrister by profession?—A. No, I am a layman.

Q. My reason for asking that is to ascertain whether you were acting in a legal capacity?—A. No.

Q. You said in reference to some negotiations you had with motor manufacturers, that you were in close touch with the Department, and in reply to Mr. Nickle, you said that this close touch had to do with your geographical position, the fact that you were on the ground?—A. That is just it.

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Q. Speaking in the same sense now, are you in as close touch at the present time as you were before 1911?—A. Well, I think so. My geographical position is the same.

Q. You mean that you were in quite as close touch with the Department as before 1911?—A. I think so.

Q. You will bring to the Committee all the papers you have?—A. I am afraid the honourable member will be disappointed with what I have, because I have to depend upon Bilsky for any of that correspondence or telegrams.

Mr. NICKLE: Is it the motor correspondence?

The WITNESS: The motor? Oh, I might bring you anything I have in regard to that.

By Mr. Sharpe (Ontario).

Q. Did you secure any advance information from the Department?—A. I don't think so. Did I?

Q. Yes, did you?—A. No, I don't think so any more than any other citizen of Ottawa.

Q. I thought you spoke of advance information?—A. I explained that was owing probably to my being on the ground. Anybody else could have acted in the same capacity as I did, and just as effectively—any citizen of Ottawa, for that matter.

Witness retired.

Mr. J. N. BELL called, sworn and examined.

By Mr. Carvell:

Q. You endeavoured to sell some binoculars to the Department of Militia?—A. I was trying very hard to sell binoculars to the Department.

Q. How long did you try?—A. About six weeks, I guess.

Q. Tell us what you did in order to try and sell them?—A. The way I started was: I was passing Mr. Bilsky's, and he said to me "Jack, what are you doing just now"? I said, "Trying to sell real estate and stock, but they are all very dead." He said "I think there is a chance to make a little money on the side."

By the Chairman:

Q. Who is "Jack"?—A. That is my nickname. He said, "The Militia Department are calling for binoculars. There might be a chance for you to sell a few to them." I said, "I will go down and see." I started off to see them and found that Ellis, of Toronto, had a general order to get all he could at the best price possible. So we started to deal with Mr. Ellis, or his representative who was going backwards and forwards.

By Mr. Carvell:

Q. Who was his representative?—A. I forget his name.

Q. Go on please.—A. Oh, yes, Mr. Mason was the representative. I talked to Mr. Mason, who said he had wired all over the country.

Q. That is, Mason said?—A. Yes. He had wired to all the different dealers to get all the supply they had on hand. He could not tell me how many would be short or anything else, but he said if there was an opportunity he would give an order to me. Finally the opportunity come. I spoke to Mr. Bilsky and said that they wanted samples. The samples were to be a dozen of Bausch & Lomb's. That dozen samples I was fortunate enough to sell to the Government, and relieved Bilsky of having them on the shelf.

Q. So you sold a dozen of Bausch & Lomb's glasses?—A. Yes.

Q. What did you get for them?—A. I got \$48.

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Q. Did you make an offer to sell quantities of 100 or more?—A. I did make offers, several offers, to Mr. Hurdman and Mr. Mason. They said they could not give me any firm offer. I said, "Could you give me a firm offer for 10 days for 100 pairs of glasses?" He said, "No, we cannot." I said, "We don't feel like bringing those things here on the prospect of selling them; nobody else will have them but the Government." I said, "We cannot do it. There is no use our trying to get them. Other people have orders and they are going round the country where they can pick up 100 and 200 pairs at a time. The Government want five or six thousand pairs of glasses. We have only got a chance to pick up a few of them," and it ended there.

Q. Your offer was to sell them in lots of 100?—A. All my negotiations with Mr. Hurdman were verbal, the only thing I have in writing is my invoice of 12 pairs.

Q. From whom did you get the 12 pairs?—A. From Mr. Bilsky. On my recommendation he had them brought in as a sample order.

Q. Do you know where they came from?—A. No, I do not.

Q. Have you got an invoice?—A. I have no invoice from Mr. Bilsky at all. All I have got is the invoice I filled out with the price I got when I sold Mr. Mason the 12 pairs.

Q. At what price did you sell them to Mason?—A. I sold to Mason for \$48 a pair. Bausch & Lomb glasses.

Q. And did you have the goods on hand?—A. It was Saturday morning when I got the order and he had them in an hour.

Q. Then you sold them at \$48?—A. I sold them at \$48.

Q. And agreed to furnish the same kind at \$45?—A. Not \$45. That was four or five weeks later, when the markets had settled down again and the rush was over. Just at that moment binoculars were selling at a high price. They were asking as high as \$65 on the very day I sold mine for \$48.

Q. Have you the invoice with you?—A. I have not.

Q. Have you got a copy?—A. My partner has a copy.

Mr. CARVELL: Have you an invoice of these twelve pairs of glasses, Mr. Bilsky?

Mr. BILSKY: Yes, certainly (producing invoice).

By Mr. Carvell:

Q. This is an invoice for the twelve pairs of glasses. Please look at it and see if it corresponds with the glasses you sold?—A. (After examining document). I think that is the first time I have seen the invoice, I believe it is all right, though.

By Mr. Sharpe (Ontario):

Q. You do not know that they are the same glasses that you sold?—A. Same glasses.

Q. How do you know?—A. They are Bausch & Lomb glasses. There is only one make and they are stamped, and you can't make any mistake in them.

Mr. GERMAN: The invoice reads as follows:—

"CONSOLIDATED OPTICAL COMPANY, LIMITED,

MONTREAL, September 15, 1914.

"Messrs. BILSKY & SON, LTD.,

Ottawa, Ont.

12 8 x B. & L. prism binoculars, \$37.50	\$450
21 m/m	

By Mr. Carvell:

Q. Were you in Mr. Birkett's office the day that Mr. Birkett got an order for 400 glasses?—A. Yes.

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By Mr. Sharpe (Ontario):

Q. Just before you leave that subject. Were these glasses invoiced to you at \$37.50?—A. No, I received no invoice whatever with them. They were invoiced to Bilsky.

Q. Who delivered them to the Government?—A. I delivered them to the Government.

Q. What did you pay Mr. Bilsky for them?—A. I think I paid Mr. Bilsky in the neighbourhood of \$44.

Q. You divided that profit?—A. I did.

By Mr. Carvell:

Q. Were you in Colonel Hurdman's office the day the order was given to Birkett?—A. Well, I am not Mr. Hurdman's or Mr. Mason's watch dog. I don't know whether they gave an order or not. I heard they were giving orders that day, but whether Mr. Hurdman gave it that day or two days afterwards, I don't know.

Q. Is it your understanding that Mr. Hurdman gave the order?—A. I was given to understand there was an order given. Where it was given I could not swear, I would not attempt to swear.

Q. For how much?—A. 100 pairs. I heard it was given that day, but that is only hearsay on the street.

Mr. CARVELL: I do not want this witness to swear to anything he does not know.

The CHAIRMAN: There is a great deal of that evidence in. I never heard more loose evidence on a hearsay basis than that what has been given in this Committee.

Q. Did you try any others?—A. Any other makes?

Q. Of glasses?—A. We tried to make a combination of Lemaire and Bausch & Lomb.

Q. How did you succeed?—A. Didn't succeed at all.

Q. Did you not make an offer to sell these glasses to Mr. Mason?—A. Being the representative, certainly we had to deal with Mr. Mason. Mr. Mason was buying all at that time.

Q. Did you agree to sell glasses to Mr. Mason at \$42?—A. No, I did not agree to sell at \$42. I said if he would give me an order at \$42 I would try and deliver it.

Q. Bausch & Lomb?—A. Bausch & Lomb glasses. I offered, if he would give me ten days, to try and fill it.

By Mr. Sharpe (Ont.):

Q. You were told by the representative of the Government that if you had these binoculars on hand they would take them from you?—A. Yes.

Q. They also told you further that if they gave you and fifty other speculators orders you would go into the market and raise the prices?—A. They had given four or five orders.

Q. You understood from them that if you or others had orders you would go to New York and other markets and increase the prices to the Government?—A. I did not know there were other speculators.

Q. That would be the effect would it not?—A. Certainly, it would be the effect.

Q. They asked you to buy the goods on the ground?—A. I had put the price on Bausch & Lomb glasses.

By Mr. Carvell:

Q. What did you say you wanted?—A. I simply wanted an order to deliver 100 pairs at ten days.

Q. At \$42?—A. Yes, the same as other people.

Q. And they gave an order to Birkett at \$52?—A. I did not know that.

Q. That is the evidence here.

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By Mr. Bennett (Simcoe):

Q. Was selling binoculars your regular business?—A. It was purely a speculation.

By Mr. Sharpe (Ont.):

Q. How did you come to go into it?—A. I was asked by Mr. Bilsky.

Q. He was the main spirit of this speculation?—A. I did not think I was going to get into this mix-up or I would not have gone into it.

By the Chairman:

Q. When Mr. Bilsky spoke to you to endeavour to sell glasses for him, did you see Mr. Hurdman, M.L.A.?—A. I do not know. I met Mr. Hurdman in Mr. Bilsky's office.

Q. There were three of you together. Did you get Mr. Hurdman after Mr. Bilsky asked you to sell glasses?—A. I asked Mr. Hurdman to introduce me to his cousin, if necessary.

Q. Did you go into Mr. Bilsky's store to arrange that visit?—A. Not that I am aware of.

Q. You met him there?—A. He is there every day of his life.

Q. Who?—A. Mr. Hurdman.

Q. And are you?—A. No.

Q. Who asked you to go there to meet them?—A. I was there at the time. I had been up to Mr. Hurdman seeing about the order.

Q. There was communication between you, Hurdman and Bilsky throughout the whole transaction?—A. Mr. Hurdman got nothing out of it, and I did not expect to ever give him anything out of it.

Q. I say that you three stayed together until it was known you could not sell any more?—A. No, not at all. Anything I had to do was direct with Mr. Bilsky and myself. Bilsky communicated with Mr. Hurdman.

By Mr. Carvell:

Q. You are a loyal supporter of the Conservative party?—A. I am, and furthermore I am proud of it.

Witness discharged.

Committee adjourned.

HOUSE OF COMMONS,

Room 100,

SATURDAY, March 27, 1915.

The Committee met at 3 o'clock p.m.

GEORGE C. HURDMAN recalled.

By Mr. Carvell:

Q. You were asked before lunch to look up any correspondence you had regarding motor trucks, as well as regarding binoculars; did you have any correspondence with reference to binoculars?—A. No. I have no correspondence with reference to binoculars; any thing that I had in my hands was handed me by the Bilsky firm, and I immediately handed it back to them, so I thought I might probably have something in my office, but I cannot locate anything. In fact, I am almost convinced I did not have anything.

Q. Did you have any correspondence regarding motor trucks?—A. Yes, I had.

Q. Will you produce it?—A. I will and I will not. I don't mind giving the Committee the letters from the motor truck company to myself, but my replies are
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confidential; the whole correspondence is here; I don't mind laying it before the Chairman, to be treated confidentially.

Q. That is, you are willing that the Chairman shall read your replies as well as the letters?—A. Yes, the whole of it.

The CHAIRMAN: What is the practice of this Committee about a Chairman undertaking to receive one-half of the correspondence?

Mr. BLAIN: None of that; nothing confidential.

Mr. CARVELL: I may tell you I have read the replies, and I assure you I do not think the Committee would want to have them made public.

The WITNESS: If the Chairman wishes them; otherwise I will have to withhold my replies, because they are strictly confidential.

Mr. CARVELL: The witness is perfectly willing that the Chairman should read them.

Mr. SHARPE: Those relating to matters under investigation should be placed upon record.

The WITNESS: But they have no bearing on this investigation.

Mr. SHARPE: Nor on Government business?

The WITNESS: No, nor on Government business.

Mr. SHARPE: They are private and confidential?

The WITNESS: Discussing persons and personalities. The idea of the Committee, I understood, was to determine whether I had any arrangement for financial remuneration as acting as agent or assisting any person. I want this Committee to be fully convinced that I had no financial arrangement for financial remuneration or benefit but I am probably like a good many other people—I am willing to help anyone that I can that might ask for help, and that is one reason why I was drawn into the Bilsky matter. I pushed it probably a little further than another man might have, and the same way with Bell; I have known Bell, we were children together and schoolmates, and when Bell came to me I did my utmost to help Bell get an order.

By Mr. Sharpe:

Q. You are trying now to relieve the Committee and the public from the impression that you were after any profits yourself?—A. Exactly, yes.

Q. Although you specifically stated to the Committee this morning that you were after profits?—A. I did not tell the Committee that I had any arrangement for profits.

Q. You would not say how much, but you expected a profit out of it?—A. I said I expected an honorarium. It depended entirely upon the generosity of the people I was doing business with. I may tell this Committee that I have never seen an honorarium.

Q. Is a profit synonymous with an honorarium?—A. Well, I should think probably it might be.

The CHAIRMAN: What are we trying here? After all, we are not trying Mr. Hurdman's position. He is in political life; it is natural that people go to him, and I don't think we should delve too deeply into matters of that kind, well knowing as we do that everybody runs after a man in public life. Let us get down to the issue as to what this correspondence is worth to the Committee in shedding light as far as possible on anything that has transpired derogatory to the public interest.

Mr. NICKLE: Surely it is derogatory to the public interest that a member of the Legislature presumes to go to his cousin, who is an executive officer of the Crown authorities, to get information that might be of advantage to his political friends.

The CHAIRMAN: That remark might apply to a transaction coming out of Col. Hurdman's duties as outlined in evidence before us, but I do not understand that there is anything of that kind in this.

Mr. NICKLE: That is what Mr. Carvell has been working for all day.

Mr. SHARPE: These gentlemen are trying to cast aspersions on men, trying to get a rake-off.

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The WITNESS: I am not.

Mr. KYTE: What does it amount to if Mr. Hurdman did charge Bilsky? Is that any justification for the conduct that has been—

The CHAIRMAN: I do not want to have my words taken as an absolute ruling; I threw it out for the consideration of this Committee.

Mr. BLAIN: What objection has the witness to handing in the correspondence now, because he promised before lunch that he would. Now he brings it, and hobbles it by saying he does not want it read.

By the Chairman:

Q. Are those letters marked "Private and confidential", Mr. Hurdman?—A. No, but throughout the letters the request is repeatedly put forward that they shall be used entirely in a confidential manner, in every letter, and not to be used for the benefit of any association or aggregation of motor companies, or—

Q. To whom are they written?—A. The Stegeman Motor Car Co., Mr. Joseph Millman, Secretary and Treasurer, Milwaukee.

By Mr. Kyte:

Q. You do not object to putting in anything that is pertinent to the inquiry that is contained in the letter?—A. I don't know that you can disintegrate the letters so that they would be of any value unless they were read as a whole matter. I cannot give you my replies. I had not read the letters from the time they were written, and I do not want to imply that there is anything of any great state secrets in the letters, or anything of that kind; but they are personal letters, and the Clerk or the Chairman can read them, and any Committee can read them.

The CHAIRMAN: I think the proper way in a case like that is to let one gentleman, representing a portion of this Committee, who desires to get the facts that they think are contained in these letters—

The WITNESS: To be treated entirely confidentially.

The CHAIRMAN: I think so. I do not think it should be put upon the Chairman at all.

Mr. KYTE: I would suggest that they be submitted to Mr. Nickle and Mr. Carvell.

Mr. NICKLE: What use is it to submit them if they are to be treated strictly confidentially?

The WITNESS: I might tell you there is nothing in the letters that is going to benefit your investigation one iota.

Mr. BLAIN: I would suggest that we do not submit them to anybody, because that is a dangerous proposition. I would rather not let the witness read them at all, particularly in view of his statement that there is nothing bearing on our case.

Mr. CARVELL: I think that is a very wise decision on Mr. Blain's part. I may tell you I have read these letters, and there is nothing in them that will injure the side of the case that I am representing here, yet I am not asking them to be put in here.

Mr. SHARPE: Inasmuch as the Chairman is in a judicial position, I think they should be submitted to him, and if he should think they ought to go in they should go in; if in his view they should not go in, they should not go in.

Mr. CARVELL: Any witness has a right to withhold his private and confidential correspondence.

The CHAIRMAN: I am not sure about that.

Mr. SHARPE: I do not know; this Committee has pretty wide powers.

The CHAIRMAN: The most unimaginable things might be perpetrated under the seal of "Private and confidential", and the truth could never be known.

The WITNESS: I am willing to trust the confidential nature of these letters to the Chairman. I have not any hesitation at all whatever; I know the Chairman's good judgment will immediately discern that the letters—

Mr. KYTE: What you object to is the publication of them?

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By Mr. Sharpe:

Q. You don't mind submitting them to anybody, but you object to the publication?
—A. Yes.

Q. Will you let any member of the Committee see them?—A. No, I don't let any member of the Committee see them.

The CHAIRMAN: Mr. Carvell has seen them; why should not Mr. Nickle see them?

Mr. BLAIN: This a dangerous precedent. Sometime, when something very important comes up in which we think there is something this will be cited as a precedent. For my part I would say, no.

The CHAIRMAN: It is awfully dangerous to make a precedent that the Chairman should see the letters.

Mr. BLAIN: I am not agreeing with that proposition, either, that you should be asked to say whether or not these should go in as evidence.

Mr. KYTE: It is a common thing in courts; that is the nearest precedent we have.

The CHAIRMAN: If I were forced to rule, I think the letters relating to public business, involving the sale of goods to the Government, and being essentially matters to this inquiry, that no seal of confidence should keep them back.

Mr. CARVELL: I agree with that.

The CHAIRMAN: But I am taking a more personal view on the statement the witness makes that there is nothing in the letters—he is on his oath—that there is nothing in the letters that makes it worth while this Committee seeing them in a public sense, but there may be something in them that would react upon him as a private individual, they being written as confidential and personal letters.

Mr. SHARPE: The witness says he will show them in confidence to any member of the Committee.

Mr. CARVELL: No, he has not said that.

Mr. NICKLE: Do I understand this to be your position, Mr. Chairman—that even if they are marked “Private and confidential” and any part of them does concern the public interest, that part should be available for this Committee?

The CHAIRMAN: I think so.

Mr. NICKLE: But that part which is purely private and confidential, and does not in any way touch the public interest, that should be kept private?

The CHAIRMAN: Yes.

Mr. RHODES: We are not only concerned with the importance of this present case and any evidence this witness may give, but we are placing ourselves in a dangerous position of creating a precedent which may be good or may be bad. It is a matter we ought to go about very carefully. This is a Committee of Parliament. We have responsibilities both to the House of Commons and to the country at large, and I submit that it is entirely in the hands of the Committee as to whether evidence, either written or verbal, is good or bad; and we must not under any consideration place ourselves in the position of allowing the witness to say whether certain documents are to be private to the extent that they are not to be scanned by this Committee. But fortunately I think we have a precedent in the McGreevey case. At that time there was, I believe, a similar question raised; and while I think there is absolutely no question about the authority of this Committee to compel a witness to disclose the contents of letters, at the same time I am sure that this Committee is seized of the desire to do absolute justice to a witness and not prejudice his personal interests or personal business in any way whatever. In the Reports of the Select Standing Committee on Privileges and Elections for 1891 there is the Ninth Report of the Sub-Committee dated September 1st, as follows:—

The Sub-Committee of the Select Standing Committee on Privileges and Elections, etc., to which was referred, for the purposes of examination, the books of account handed in by Mr. Michael Connolly in obedience to the order of the House, beg leave to present the following as their Ninth Report:

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Your Sub-Committee have also considered the application of Mr. N. K. Connolly, for the return to him of certain private letters and papers contained in a small wooden-box and the letter of Mr. Cross, one of the Accountants in reference thereto, referred to the Sub-Committee on the 8th August, and as they find that the said letters and papers are of a purely private character and have no reference whatever to the enquiry now pending before the Committee they recommend that they be returned forthwith.

I think we had in that case an absolute ruling for our guidance, because in that case a Sub-Committee of the Committee was appointed for the purpose of examining the papers in question, and it is left to them to determine as to whether they ought to be admitted, and they made that report.

Mr. MCKENZIE: Does it not occur that that is a very different case? That man Connolly was a party whose conduct was under enquiry, while this man is merely a witness.

Mr. RHODES: Quite so, but it all has to do with an enquiry before the House, so it is absolutely on all fours on that point. The question is as to the admissibility of certain evidence which in that case the witness alleged to be of a private character and did not wish to disclose, and the Committee said it was a matter for itself to determine, and in order to enable it to do so with the greatest amount of justice they had appointed a Sub-Committee to enquire into the matter. I think that is a fair proposal, which has the merit of not prejudicing the witness and not allowing his private affairs to be disclosed, and on the other hand it allows the Committee and the public the opportunity of seeing into matters affecting the public welfare.

Mr. CARVELL: It will not be Mr. Hurdman's affairs that will be disclosed.

Mr. RHODES: I do not know what my honorable friend means by saying it will not be Mr. Hurdman's private affairs; but speaking for myself, and for the Government side of the House after consultation, I think I can speak accurately when I say we court the fullest and most absolute investigation into any and all matters, and we do not want to shield any body. I want to lay that on with emphasis and I want it distinctly understood. I move that a Sub-Committee of this Committee be appointed for the purpose of examining the papers submitted by the present witness, with a view of making a recommendation to the Committee as to whether they are competent evidence or not.

The CHAIRMAN: Name your Committee, and save time.

Mr. RHODES: I would recommend that the Committee be composed of Mr. Nickle, Major Sharpe and Mr. Carvell.

Mr. SHARPE: I suggest yourself in place of me.

Mr. RHODES: Not at all.

Mr. SHARPE: I am not a member of this Committee.

Mr. RHODES: May I substitute the name of Mr. Blain for Major Sharpe?

The WITNESS: Mr. Chairman, I submit that in view of the fact that I am a witness here, and that this evidence contained in these letters has no bearing on this case—merely an after-thought of one of the members of the Committee looking for evidence—that I am on oath, and I swear that there is no evidence in these letters of any value to the Committee. I have offered to submit them to the Chairman of the Committee; I have offered to give the Committee the letters from the motor company to myself; I say that my letters are confidential; that through the whole of the letters that I refer to I speak in a confidential manner; and I submit to this Committee that it is unfair that I should have to leave these letters to even a Sub-Committee.

Mr. RHODES: Mr. Chairman, this question has all been pretty well thrashed out before. I think the proposals I suggest are eminently fair; and we must guard ourselves against the position of allowing a witness to dictate to this Committee and Parliament as to whether papers, receipts, and so on ought to be examined by us or not. There is not only the point at issue in this case, but the fact that we have involved a principle of vital import; and if we once place ourselves in the hands of

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witnesses, all investigations would be practically useless; and I want to say to my honorable friend from Carleton, Mr. Carvell, that I am doing that which will help to throw light on public matters, because if I were to take the opposite position I would shield the witness in not having the evidence brought forth.

Mr. McKENZIE: I was not here this morning, but I heard there was something in the conduct of the case and the rules of evidence. Mr. Chairman, what do you understand to be the issue now before the Committee?

The CHAIRMAN: I do not know exactly on what branch of the issue these letters bear. We were on the question of binoculars and Bilsky and Mr. Hurdman and Mr. Bell, and the visit of Mr. Hurdman to Col. Hurdman, and I think these letters were asked for by Mr. Blain.

Mr. CARVELL: He was asked the question whether he had any other business with the Government or had discussed any other matter, and on reflection he said: "Yes, I discussed one case about motor trucks." Then he was asked if there was any correspondence about motor trucks.

Mr. McKENZIE: There a good many lawyers here, and it is distinctly understood, of course, that there must be some distinct issue before the Court—and we are a court—on which these letters will be evidence.

The CHAIRMAN: There is no question of that. It comes under Sessional Paper 122; that is the basis of our authority here.

Mr. RHODES: I do not think there is any question as to jurisdiction here.

Mr. NICKLE: It came up in this way:—Mr. Birkett was in the box this morning, and produced an agreement between himself and two other gentlemen. Mr. Carvell asked him the question whether or not a certain \$2, that was marked "for incidentals" was for the purpose of influencing one of the executive officers of the Crown. Mr. Birkett denied it and then Mr. Hurdman took the stand and said he waited on his cousin, Col. Hurdman, for advance information as to what the policy of the Government was in regard to certain things.

The WITNESS: Pardon me, you are not quite correct.

Mr. NICKLE: Put me right, then, and I will go on.

The WITNESS: The evidence is there.

Mr. NICKLE: That is as I understood it, I am as correct as I can be; then I asked him if at other times he had approached the Government or any member of the Government, and he said yes. The question then came up in regard to these matters and I asked him to produce the correspondence. I might say, speaking for the Government—because Dr. Reid asked me to make this quite clear—they wish the fullest possible enquiry and disclosure to be made, and urged upon me not ten minutes ago that everything be brought out that can be brought out by this Committee; and we are trying to facilitate that.

Mr. McKENZIE: This correspondence, as I understand it, is not between the witness and any member of the Government or any official of the Government.

Mr. NICKLE: It is—

The WITNESS: I will straighten the Committee out as to what led up to this. An honourable member tried to connect me as a commission broker, as an agent willing to lend myself, or sell myself for a price, to anyone who might come around and try and get information. He asked me if I was familiar with the officers of the different Departments. I told him I was, through my many years of association with them here in the city, socially and otherwise, and that I was very often called upon to see them for friends, chance acquaintances, and people who were introduced to me by letter and otherwise. In that way I was drawn into this binocular deal. As the Committee will sympathise with me, one of the officers of the Department interested respecting these binoculars was my cousin. I have no desire to injure him or reflect upon him; I believe that his actions at all times have been entirely honest; anything he told me has been borne out by facts. Later on, as Mr. Nickle found out, I had been drawn into another phase of the Militia Department's purchases, and that was motor

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trucks. A very dear friend of mine in Toronto sent this man down here and told him to "look up Hurdman. Hurdman's cousin is a member on the Militia staff, and perhaps he might be able to get you information." Well, the information didn't amount to shucks, as these letters will show. What I did send him was newspaper clippings from the morning *Citizen*, and I called my cousin up—as these letters will show—and asked him if he thought there was any foundation in fact for those newspaper reports; and his replies to me in regard to those newspaper reports are of a confidential nature; they are contained in my replies to the motor company.

Mr. SHARPE: I think it is most important that this Committee should judge of the admissibility of those letters.

The WITNESS: They have no bearing on the binocular question whatever; that was merely to try and draw me into the position of a commission merchant, or a broker, or a man who is ready to sell his services for value received. I have quite a time taking care of my own business, and I don't venture into those side-lines; I would not know what to ask for.

Mr. MCKENZIE: There is one point; as far as we can avoid entanglements by departing from the rules of evidence we ought to do it. I do not know this man at all. What this man might write to a party as to what had been said to him by an official of the Department is not evidence at all. The official is here.

Mr. RHODES: The point is the examination of the letters with a view to the admission of evidence.

Mr. MCKENZIE: They are not evidence.

Mr. RHODES: How do you know?

Mr. MCKENZIE: He swears he sent information he got from another official. That is certainly not evidence.

Mr. SHARPE: Certainly the witness is not a judge as to what is evidence or not.

The CHAIRMAN: The motion is for the appointment of a Sub-Committee to examine the letters and report to this Committee as to whether they should be admitted.

Mr. CARVELL: I would vote against that; I think we should have a vote on this.

Mr. RHODES: The witness has letters here, portions of which he says are private and confidential, and he does not wish them disclosed. I have submitted a motion, following the precedent laid down in the McGreevey case, that the question of their admissibility be referred to a special Committee consisting of Messrs. Nickle, Blain and Carvell.

Mr. GERMAIN: But the McGreevey case had nothing to do with letters at all.

Mr. RHODES: I have been a member of this Committee for seven years and this is the first time I have seen members of the Opposition object to the light being thrown into the enquiry on Public Accounts and the Government side fighting to have the light thrown in.

Mr. CARVELL: Now, Mr. Chairman, that is a very uncalled for statement by my honorable friend Mr. Rhodes. I have said very little about this correspondence. I had the opportunity of seeing this correspondence before I came into the Committee room, and so far as I am concerned I will be delighted to have it go in as evidence, I want to assure you of that, and I have told Mr. Nickle and Mr. Blain, as properly as I could, some of the contents. I want to tell you more than that—it reflects on certain members of the Government; it professes to give certain inside information. Now, for that reason I am going to vote against it—and I don't know that it is worth my while bothering just now about Mr. Rhodes' reflections upon what has been done or what has not been done. We are dealing with the present case.

The CHAIRMAN: I think it is very unfortunate, Mr. Carvell, to make a statement presuming to give the purport of the letters prior to the possibility of their going into the hands of a Sub-Committee.

Mr. CARVELL: I want to give you all the information I can before you vote on it. The witness has agreed to give them to the Chairman and let him read them.

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By the Chairman:

Mr. Hurdman, these letters were asked for by Mr. Blain; why did you not go to him with them?—A. I did not remember that; I thought it was Mr. Nickle asked for them.

Q. Why did you not hand them to him?—A. Well, I was debating as to whether—I had not been subpoenaed before this Committee—and I was debating whether I should come up with those letters.

By Mr. Blain:

Q. We could soon subpoena you?—A. Of course, that is a matter you could do, that is your privilege, but on the way up I showed them to Mr. Carvell, and I said, "Here is the whole correspondence; I notice in looking at my replies that they are of a confidential nature; they are not written"—

By Mr. German:

Q. Are they marked "Confidential"?—A. Yes, throughout the letters the party written is asked to treat them as entirely confidential.

By the Chairman:

Q. Is that the language?—A. Yes.

By Mr. German:

Q. If they are confidential letters you should not have brought them here?—A. Mr. Carvell told me to bring them.

Mr. RHODES: And he has advised us as to part of the contents.

Mr. NICKLE: Might I suggest this as a resolution——

By Mr. German:

Q. Have you any reason not to produce them?—A. I proposed to produce them to the Chairman. I cannot let them go to the whole Committee.

Q. Then you had a reason to bring them here?

Mr. NICKLE: He was quite willing to submit them to me under the badge of secrecy. Now, are you prepared to let them go to Mr. Rhodes on the understanding that if there is anything that deals with financial relations with the Government they be admitted, and if not, they be not received?

Mr. CARVELL: That is safe enough.

The WITNESS: That is all right.

(The letters were then handed by witness to Mr. Rhodes.)

The CHAIRMAN: It is understood that this motion is still standing in the meantime?

Mr. NICKLE: That was withdrawn.

Mr. EDWARDS: I think that ought to be withdrawn, because I intended to vote that these letters be submitted to the Sub-Committee. I am not a lawyer, and I want to get the information. So far as I am concerned as a member of this Committee I would have voted in the way I said.

(After conference between Mr. Rhodes and Mr. Carvell, after the former had examined the correspondence.)

Mr. RHODES: With the consent of the Committee, as I have to go out a few minutes I would like to say that as far as I am concerned I have read these letters most carefully, and I cannot see the slightest objection to their being put in the evidence, and cross-examination based upon them if necessary. They are not marked "Private and Confidential," and in addition to that I think it is in the public interest that they ought to be read, particularly in these circumstances, that more or less suspicion would

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be based upon the circumstances that they were excluded, and rumours and suspicions based upon this would cause far more damage than any possible reading of them could do. As far as I am myself concerned I have no hesitation in saying that they ought to be read and put in evidence.

Mr. McKENZIE: I cannot see that they are evidence of anything in themselves.

Mr. RHODES: That would depend upon the additional evidence of the man who wrote them and who received them. He should be examined with respect to them, but if they bear upon anything I think they bear upon the purchase, or the attempt to sell motor-trucks to the Government. As I understand it, these letters were handed to me with the view of seeing as to whether there were certain portions of them which were of such a nature as ought not to be disclosed to the Committee, and I have no hesitation in saying that is not the case.

Mr. CARVELL: Whether they refer to commercial transactions.

Mr. RHODES: I think they have a direct connection with an endeavour on the part of Mr. Hurdman to do business with the Government; that I have no hesitation in saying. As to their value as evidence, that is another story, but I think the great point is that it would never do, in view of the discussion that has arisen respecting them, to exclude them, because the suspicion engendered by suppressing them would cause far more damage than the reading of them would ever do. I think it is in the public interest, in view of all that is in them, that they should be put in evidence.

The CHAIRMAN: Is it necessary to have a motion?

Mr. NICKLE: You have the letters.

The CHAIRMAN: The letters are to be retained by me as public property.

The CHAIRMAN: These are the letters.

The WITNESS: Do you wish me to read them?

The CHAIRMAN: I do not know what the desire of the Committee is. (After consultation.) Read them in consecutive order.

The WITNESS: My first letter is dated Nov. 27th. 1914, and is as follows:—

(Letter No. 1.)

OTTAWA, November 27, 1914.

JOSEPH C. MILLMAN, Esq.,

Sec'y.-Treas., Stegeman Motor Car Company,
Milwaukee, U.S.A.

DEAR SIR,—I wired you this morning as under:—

“Hughes placed order yesterday with Russell for 20 trucks. See letter explaining matters fully.”

My attention was drawn to this this morning by the enclosed item which appeared in the morning paper. I immediately got in touch with my cousin, and he informed me that the order had been placed yesterday by Major General Hughes in opposition to the advice given him by the Board of Experts, and also contrary to the wishes of the Purchasing Board. I learn that this order will be in excess or in addition to the original purchase contemplated. I also learn that the recommendation made by the Board of Experts included your trucks.

This information you will keep entirely to yourself. I would not like that you should mention it to any of your associates, as it might travel back and would injure our prospects of getting further information, as, no doubt, the source of information can be very easily traced. Anything further I can learn, I will immediately advise you.

I am,

Yours very truly,

G.C.H./S

(Clipping enclosed in above letter).

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APPENDIX No. 3

ARMOURED MOTOR CARS.

General Hughes approves Order for 40 in Toronto.

Toronto, Nov. 26.—Armoured motor cars of a standard of efficiency that are said to be second to none in the world are now to be manufactured by the Russell Motor Car Company for the Dominion Government. After inspecting a model car to-day Major General Hughes confirmed an order for forty cars. This order is made up of twenty cars comprised in the offer of Mr. J. C. Eaton to equip a motor machine gun battery and in addition twenty cars to be ordered by the Government.

The gun itself is mounted on a revolving turret. This turret is protected by steel armour and is capable of withstanding rifle fire at one hundred yards distance. Inside the turret there is space for five men—the driver of the car, the operator of the gun, and three riflemen. In addition, an extra gun is stored in the car can be quickly mounted on a tripod for field work.

The gun to be used will probably be a colt quick-firing type, with a capacity of 600 shots a minute.

(From *Ottawa Citizen*, November 27, 1914).

By Mr. Bennett:

Q. Was that letter sent by you yourself?—A. This is a copy; it was not sent, but I dictated the letter.

Q. Which was sent by you?—A. I sent the letter. The reply to this letter is dated Milwaukee, December 1, and is as follows:—

(Letter No. 2)

STEGEMAN MOTOR CAR CO.

MILWAUKEE, WIS., December 1, 1914.

MR. G. C. HURDMAN,
The Hurdman Lumber Co.,
Ottawa, Ont., Canada.

MY DEAR MR. HURDMAN,—The writer wishes to acknowledge with thanks, the courtesies and favours shown him while at Ottawa, also the receipt of your letter and telegram of November 27.

After leaving Ottawa, I went to Toronto and called on the Russell Motor Car Company, and in conversation with the manager learned that they had already been advised of the committee's possible decision at Ottawa. General Hughes was at their plant inspecting armour trucks while I was there—the Russell people have the Canadian rights to manufacture the Jeffrey 4 wheel drive truck; these were the ones the General was inspecting and no doubt the 20 trucks referred to in your letter are the 20 additional Jeffrey 4 wheel drive armour trucks.

I am inclined to think, however, that this order is separate from those which the committee were considering because their proposition figured on 140 machines. The Russell people most likely will order these parts elsewhere. However we wired them Friday night wanting to know whether they had received a written order from the committee and whether they were open to consider our prices on parts. Up to this writing we have received no answer.

We were very much pleased to learn from your letter, that the Board of Experts included our trucks in their recommendation all of which information

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will be treated strictly confidential. As soon as we get any tangible news, we shall bear you in mind and advise you of it.

Thanking you again for the courtesies shown the writer and trusting that I may have the opportunity of reciprocating, I remain,

Yours very truly,

STEGEMAN MOTOR CAR CO.,

(Sgd.) JOS. C. MILLMANN,

Sec'y.-Treas.

J.C.M./O.C.

The WITNESS: My answer to that letter of December 1, was on December 4, and is as follows:—

(Letter No. 3)

OTTAWA, December 4, 1914.

Mr. JOS. MILLMANN,—I have your letter of the 1st inst., which came to hand yesterday. Wishing to have a further talk with the Colonel I delayed answering it until to-day.

I enclose herewith a clipping from this morning's paper, which the Colonel advises me there is no foundation for. So far as he knows it is in direct opposition to the report put in by the Advisory Board, and that Board, he further states, were unanimous. The arguments set forth by the Board were so strong in favour of putting in machines using Continental Engines and similar gears so that the parts would be inter-changeable, that he cannot conceive if it would be possible for the Purchasing Board to depart from their recommendation. I have no direct information as to what the Purchasing Board may have done in the last few hours. I have, however, a very close friend through whom I can get all this information and will endeavour to reach him some time to-day.

By the way I forgot to mention that the Colonel states that if the Purchasing Board should venture on a trial of the Kelly-Springfield to be assembled here in the several automobile works, that it would prove conclusively to them that the plan is not feasible.

I am,

Yours very truly,

G.C.H./R.

The WITNESS: The reply to that letter was under date of December 8, and is as follows:—

(Letter No. 4.)

MILWAUKEE, Wis., December 8, 1914.

Mr. G. C. HURDMAN,
Hurdman Lumber Co., Ltd.,
Canada Life Bldg.,
Ottawa, Canada.

Dear sir,—Permit me to thank you for your kind letter of the 4th inst. In the same mail, we received a communication from the Russell Motor Car Company saying that no truck orders had as yet been placed but they would be pleased to take the matter up with us as soon as they had word.

We also received advice from the Committee at Ottawa saying that our last communication would be presented to the Committee at its next meeting. Our enquiry to them was simply answered on one of their regular forms giving us no indications of what would be done. We presume, however, that inasmuch as they did not advise us that anything was done, the matter is still held in abeyance.

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We also received a letter from a party in New York indicating that the Kelly Company had received an order in Canada.

Summing up the whole matter, we are inclined to think that they are trying to place this order in Canada but there seems to be objections or a lack of unanimity in the Committee itself.

We should be pleased to have you keep us posted if you hear of anything which is important.

Thanking you once more for your interest, we remain,

Yours very truly,

STEGEMAN MOTOR CO.

(Sgd.) JOS. C. MILLMANN,

J.C.M./O.C.

Sec'y.-Treas.

By Mr. Bennett:

Q. Mr. Hurdman, every statement made in your letters written to this Truck Company is true, is it?—A. Those are the original letters.

Q. I say, are the statements made by you in those letters true?—A. To the best of my knowledge at that time.

Q. And you still state that every statement made there is true?—A. So far as I knew they were true. I probably don't grasp you.

By the Chairman:

Q. Your own statements that you made?—A. My knowledge imparted to the Stegeman Motor Company was—

Q. You thought was true?—A. I thought was true. I don't know now whether I would change my mind.

By Mr. Bennett:

Q. Where did you first meet this gentleman, Mr. Millmann?—A. Here in Ottawa.

Q. About what date?—A. Well, it would be about the date, probably two or three days prior to my first letter there.

Q. Nov. 27?—A. It was at the time that there was a group of them here.

Q. Who introduced you to Mr. Millmann?—A. Mr. Ryan.

Q. Who is Mr. Ryan?—A. He is a Toronto friend of mine.

Q. What is his business?—A. I think he is a Government official.

Q. Under which Government?—A. Under this Government.

Q. In what Department?—A. I can't tell you.

Q. Do you know his Christian name?—A. Yes, William.

Q. How long have you known him?—A. Perhaps ten years.

Q. He lives here in this city?—A. No, he does not, he lives in Toronto. I meet him very frequently.

Q. The only Mr. Ryan I know of in the Department is Mr. Ryan in the Trans-continental; is that the Mr. Ryan?—A. No, William Ryan I think is his name; I call him Billy.

Q. Have you no idea what his business is for this Government?—A. I think he is in the Agriculture Department, I don't know what his branch is, but he travels all over the country.

Q. Under this Government, but with residence in Toronto?—A. Yes.

Q. And you have known him ten years?—A. I should judge ten years or more.

Q. Did you ask to be introduced to this gentleman by Mr. Ryan?—A. No, Mr. Ryan introduced him to me in the Chateau.

Q. Just a casual matter?—A. A casual introduction.

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Q. And within what time did you learn what Mr. Millmann's business was?—A. Perhaps in five minutes after he was introduced.

Q. From whom did the overtures come as to acquainting you with the business?—A. From Mr. Millmann, I think, Mr. Millmann asked me if I could assist him in any way.

Q. Did he know what business you were in?—A. Yes, he knew what business I was in.

Q. In the lumber business?—A. Yes.

Q. Knowing that you were in the lumber business he thought you would have some connection with the Government?—A. Not necessarily.

Q. Had Ryan mentioned to you who Millmann was?—A. He told me what Millmann's business was when he introduced me; told me what he was here for, what his objects were, and all about it.

Q. Did you ask for an introduction to Millmann?—A. No, I did not.

Q. Had Ryan and you discussed what this man's business was before you had seen him?—A. No, I had not met Ryan that day before, or any recent date.

By Mr. Sharpe:

Q. What did this representative of the Motor Truck Company ask you to do? Tell us the conversation?—A. Oh, I couldn't tell you the conversation.

Q. Tell us the arrangement between you and him?—A. The letters would tell you that there must have been——

Q. Did you take him down to the Department?—A. No.

By Mr. Bennett:

Q. This letter of yours dated November 27th says, "I wired you this morning as under——" Hughes placed order yesterday with Russell for 20 trucks. See letter explaining matters fully." How did you know that?—A. Read the letter and it will explain. My attention was drawn to that through a news item.

Q. You say, "I immediately got in touch with my cousin, and he informed me that the order had been placed yesterday by Maj.-General Hughes in opposition to the advice given him by the Board of Experts, and also contrary to the wishes of the Purchasing Board," who is the cousin referred to?—A. Col. Hurdman. Those are my deductions.

Q. That is a deduction after you got in touch with him?—A. Those are my deductions from a casual conversation that morning discussing this news item on the way to the office with Col. Hurdman. We both came up on the same car and I drew his attention to this item in the morning *Citizen* and I drew that much information from him, that is, sufficient information to make this deduction. They are my own deductions, and they are not the Colonel's words by any means.

Q. Then Col. Hurdman did not tell you that Gen. Hughes had given the order contrary to the wishes of the Purchasing Board?—A. No, I don't think he did.

Q. Then why did you say in the letter that he had?—A. I had a right to say what I liked in the letter.

Q. Whether it was true or not?—A. Well, I could make my own deductions and write it. I was not stating any facts.

Q. You stated as a fact that Gen. Hughes "Placed order yesterday with Russell for 20 trucks," and that "the order had been placed yesterday by Maj.-Gen. Hughes in opposition to the advice given him by the Board of Experts," etc.?—A. Those are my deductions.

Q. And as a matter of fact you had not been told a word of that by Col. Hurdman?—A. Probably not.

Q. When you wrote this it was a lie, and you knew it to be a lie?—A. No, I did not.

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Q. Was it true or was it false that Col. Hurdman told you that?—A. Did I say that he told me?

Q. You say, "He informed me"—that is your own word—"that the order had been placed yesterday by Maj. Gen. Hughes in opposition to the advice given him by the Board of Experts, and also contrary to the wishes of the Purchasing Board;" Now you say that Col. Hurdman never told you that?—A. No. I don't exactly put it in that way. I tell you that the phrase as used there is rather my deductions from what I gleaned from Col. Hurdman. I would not venture to say that those are Col. Hurdman's own words.

Q. That he told you words to that effect?—A. Something that led me to believe that that was the state of affairs.

Q. How long after the interview with Col. Hurdman on the car did you write this letter?—A. I think likely that same morning.

Q. When it was all fresh in your memory?—A. Yes, I probably wrote that letter during that day sometime, because you see I refer to that clipping.

Q. You cannot say now whether it was true or false that Col. Hurdman had told you this?—A. No, I would not say at the moment those were his exact words.

Q. I did not ask you for the exact words?—A. I have said, I have told the Committee, that those are my deductions from what Col. Hurdman told me in discussing this news item.

Q. Then you want to take this back, that Col. Hurdman told you this? You say here plainly, "He informed me that the order had been placed yesterday by Maj.-Gen. Hughes;" Is that true and right?—A. Yes, that is right.

Q. Did he tell you then that Gen. Hughes had placed it "in opposition to the advice given him by the Board of Experts"? Did he tell you that?—A. Well, I would not like to say exactly whether that is right or not, whether that is exactly what he said.

The CHAIRMAN: Does the letter say that he did tell him that?

Mr. BENNETT: Yes, I am reading it word by word.

By Mr. Bennett:

Q. Are you prepared to say that?—A. What does the letter say?

Q. First you agree that Col. Hurdman told you "that the order had been placed yesterday by Maj. Gen. Hughes;" that is right? He told you that?—A. That is right.

Q. And that he had placed it "in opposition to the advice given him by the Board of experts"; is that true or not? Had Col. Hurdman told you that—that Gen. Hughes had placed the order contrary to the advice of the experts? Did Col. Hurdman tell you that?—A. I have nothing further to say about it.

Q. Yes or no, did he tell you that?—A. The letter is there.

Q. You stick to the letter?—A. I made the statement in the letter.

Q. And you will stick to the statement in the letter?—A. All right.

Q. Then did he tell you that Col. Hughes had given the order contrary to the advice of the Board of Experts; now did he tell you also that Col. Hughes had done this "contrary to the wishes of the Purchasing Board"?—A. I don't know that he put it in that way. He may have inferred that. Col. Hurdman did not write the letter; I wrote the letter.

Q. You wrote it on the information you got from him?—A. Well, yes; I didn't take it down verbally, and I am not a shorthand writer.

Q. You have a good memory?—A. Fairly.

Q. And this is substantially true?—A. Substantially true, yes.

Q. Now you make this further statement—that the order given by Gen. Hughes "will be in excess or in addition to the original purchase contemplated;" was that correct?—A. Yes, what I wanted to convey in that was that this was an additional order, as the next letter will show. I think in their reply they say that they understood that that was an additional order.

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By Mr. German:

Q. What was the news item in the paper?—A. I have not got that; it was something about Gen. Hughes ordering 20 trucks from the Russell Motor Company.

Q. What was the date of the paper?—A. That morning's "Citizen."

Q. The same date as the letter?—A. Yes, 27th November.

By Mr. Nesbitt:

Q. Let me refresh your memory with this part—"This information you will keep entirely to yourself. I would not like that you should mention it to any of your associates, as it might travel back and would injure our prospects of getting further information, as no doubt, the source of information can be very easily traced;" what did you mean when you said that the source of information could be very easily traced?—A. Back to me, I suppose, and my probable connection with the Colonel—relationship.

Q. Now we will take the letter of December 4, 1914, addressed by you to Mr. Millman, "I have your letter of 1st inst., which came to hand yesterday. Wishing to have a further talk with the Colonel I delayed answering it until today." Who is the Colonel referred to?—A. Col. Hurdman.

Q. "I enclose herewith a clipping from this morning's paper, which the Colonel advises me there is no foundation for, so far as he knows it is in direct opposition to the report put in by the Advisory Board, and that Board, he further states was unanimous." Now, we cannot say what that clipping was, but can you say, speaking from memory?—A. No, I don't think I can.

Q. Further on in your letter you say, "I have no direct information as to what the Purchasing Board may have done in the last few hours. I have, however, a very close friend through whom I can get all this information and will endeavour to reach him some time to-day." Who is the very close friend that you refer to in that letter?—I don't remember now.

Q. Oh, come now, make a real, good, honest trial; who is the close friend that you were relying on to give you this information?—A. I don't remember.

By Mr. Sharpe:

Q. Do not the contents of the letter refresh your memory?—A. I can't recollect.

By Mr. Bennett:

Q. All right, we will come at it in another way; now, who besides Col. Hurdman was giving you information from the Department?—A. No one that I know of.

Q. Then it must have been Col. Hurdman that you referred to here?—A. I don't think so. I referred to the Colonel quite openly in my letters.

Q. "I have however, a very close friend through whom I can get all this information and will endeavour to reach him some time to-day;" was it one of the Ministers?—A. No, not that I know of.

Q. You know whether or not one of the Ministers had told you?—A. Well, it was not one of the Ministers;; I may tell you that much. I do not know any of the Ministers sufficiently intimately.

Q. Let me call your attention to this; you say, "I have no direct information as to what the Purchasing Board may have done in the last few hours." How frequently were you getting those reports?—A. I don't know as I could say at this late date.

Q. Tell me; be serious about it; who was the close friend you were referring to?—A. I don't know who he is; I can't remember. I am perfectly honest about it; absolutely honest.

Q. Would it be Col. Hurdman?—A. No, it was not Col. Hurdman, because I referred to Col. Hurdman, and I hadn't any idea of pressing Col. Hurdman for any
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information. Anything I got from Col. Hurdman was quite innocently, and given in a very innocent manner.

Q. Once again, had you ever spoken to a person in a Department about those trucks but Col. Hurdman?—A. No, never.

Q. Then it must have been him?—A. I do not think so.

Q. Think hard who it was?—A. I can't recollect who it was at this moment.

Q. Will you say again positively there was no person in the Department that you ever mentioned trucks to?—A. I will, and I never mentioned it to any person in the Department, in any Department.

Q. Was this statement true: "I have, however a very close friend through whom I can get all this information and will endeavour to reach him sometime to-day," was that true?—A. I don't know; at this stage I can't think who I was referring to; I haven't any recollection who I was referring to this "very close friend."

Q. Looking back over your list of friends in the Department, would you say there was no person at all that you had ever mentioned trucks to except Col. Hurdman?—A. No, no one that I ever knew of. I may have one, but I don't think I have. I did not make any arrangement or appointment to see anyone about trucks.

Q. And you will solemnly say that did not refer to Col. Hurdman—that "close friend"?—A. I will absolutely and solemnly say.

Q. You cannot recollect who were your friends?—A. I can't recollect. I may have had some one in view at that time, but it slipped my memory.

By Mr. Sharpe:

Q. Did you see any one at that time about trucks?—A. No, I let the matter drop.

By Mr. Bennett:

Q. You say, "I have no direct information as to what the Purchasing Board may have done in the last few hours;" who had been informing you as to the movements of the Purchasing Board?—A. I can't say who it was; I don't remember.

Q. What information had you got that day from the Purchasing Board?—A. Nothing except what might be contained in that letter.

Q. I will tell you some things that might perhaps refresh your memory; "the arguments set forth by the Board were so strong in favour of putting in machines using Continental Engines and similar gears so that the parts would be interchangeable, that he cannot conceive if it would be possible for the Purchasing Board to depart from their recommendation." Now, who told you that? Your friend?—A. I can't recollect who told me that. I knew, I was very familiar with it, the arguments—

Q. You cannot recollect who gave you that information?—A. No.

Q. Let me read you a little further back; you have an awfully bad memory; "I enclose herewith a clipping from this morning's paper, which the Colonel advises me there is no foundation for, so far as he knows it is in direct opposition to the report put in by the Advisory Board, and that Board, he further states, were unanimous." Now, did Col. Hurdman tell you that?—A. Yes, he must have told me that.

Q. "The arguments set forth by the Board were so strong in favour of putting in machines using Continental engines and similar gears so that the parts would be interchangeable, that he cannot conceive if it would be possible for the Purchasing Board to depart from their recommendation." Now, who was "he"?—A. "He" was Col. Hurdman.

Q. "I have no direct information as to what the Purchasing Board may have done in the last few hours, I have, however, a very close friend through whom I can get all this information and will endeavour to reach him some time to-day." And the close friend was not Col. Hurdman?—A. No; I am trying to wrack my—

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Q. Was it McQuarrie? He had been around Ottawa for years?—A. No, I don't know the gentleman.

By Mr. Bennett:

Q. But it was another party, distinct and different altogether from Col. Hurdman, who was the close friend?—A. I can't recollect who it was.

Q. Yes, or no, was it?—A. I don't know.

Q. Tell me some of the men you knew in the Militia Department perhaps it will refresh your memory to go over the friends in the Purchasing Department?—A. I don't know. I know Major-General McDonald.

Q. Was it Major-General Macdonald that was the close friend that was giving you information?—A. I did not speak to Major-General Macdonald about motor trucks.

Q. Try again; was it somebody else?—A. I know General Fiset.

Q. How many years had you been dealing down there with the Militia Department before the change of Government?—A. Oh, I was in and out there a good many years, but very little dealing with them.

Q. What were you selling them?—A. I sold them some lumber when they were building the Petawawa Camp.

Q. And the only dealings you ever had with the Department was selling them some lumber for the Petawawa Camp?—A. Yes, that is all that I can remember.

Q. Did you not instal a lot of cases down there?—A. Not for the Militia Department.

Q. For what department?—A. The Public Works.

Q. In the Militia building?—A. Yes.

Q. You differentiate that way?—A. The contract was with the Public Works.

Q. But it was done in the Militia Department?—A. No, it was done in the Public Works.

Q. In the Militia building?—A. The building was turned over to the Militia Department after it was finished. I had nothing to do with the Militia Department.

Q. Did you know it was done for the Militia Department at the time you were doing the work?—A. I knew it was going to be.

Q. What was that contract for, and what was the amount, about?—A. Oh, it is too far back to tell much about it I have forgotten about it.

Q. Was it a large order?—A. It was probably \$25,000 or \$30,000 or \$40,000, something like that.

Q. An every day occurrence of \$40,000 is nothing to you?—A. Well, it is a long way back.

Q. You were pretty conversant in dealings with the Government at that time?—A. Well, I was a youngster.

Q. Were the Militia Department installed there at the time you were placing this?—A. No, the Militia Department had nothing to do with it; they did not even supervise it, or did not have an inspector there, and we never had a Militia Department official.

Q. I don't know who your friend was?—A. I don't know myself; I am perfectly frank with you; I can't remember myself, but will give the Committee this much light, that I may have had in view some of my friends who were in touch with the Ministers; I can't remember now, I can't tell.

Q. Who were the friends?—A. I can't tell. Mr. Fripp here is a friend of mine.

By Mr. Fripp:

Q. Did you make any profit or honorarium out of Fripp?—A. No.

By Mr. Bennett:

Q. At what hotel was this gentleman, Mr. Millman, staying?—A. At the Chateau, I think. I met him there; that is the only place I ever met him.

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Q. You saw him there one evening?—A. More than once; many times.

Q. After the first meeting on the first night did you have an appointment to meet him again?—A. Oh yes, I had several appointments with him.

Q. And they were appointments along what line—to act as his agent or assistant in selling?—A. No, there was no discussion about that. We talked about things. I thought that this business might lead up to something, but we didn't get to the stage where there was any discussion—

Q. How long was he here on that occasion?—A. The hotel register will show that. I think that probably he may have been here, I may have seen him, for three days. I think, but I may be wrong about that.

Q. Brushing your memory up to its best, what was the understanding when you last saw him?—That you were to communicate with him about this business?—A. No, there was not any positive arrangement of any kind, you understand.

Q. What was the arrangement with him that was not of a positive nature?—A. If it were possible that I could get any information for him.

Q. From whom?—A. From anyone, any source; no one in particular; nobody was mentioned.

By Mr. Sharpe:

Q. That would lead up to what? A sale?—A. I will have to handle this first.

By the Chairman:

Q. That would lead up to what? If you could get any information that would lead up to a sale—A. To business, yes, then we might talk some consideration, but there was not any consideration mentioned in any way. He mentioned this, he said, "Now, I don't want you to exert yourself or work for nothing; if there is any business, why—"

Q. Did you have that in mind when you went to Col. Hurdman?—A. No, I did not.

By Mr. Bennett:

Q. Then how many days after bidding him good-bye, or after the time you last saw him, did you write him?—A. It could not have been very long, because he had just got to Toronto. It was within a day or two. He was in Toronto at the time. My letter went by him. He arrives home and says that when I wrote to him he was in Toronto; I think his letter will explain that; it must have been very shortly after he was here.

Q. You got busy right at once?—A. Oh, inside of a week, perhaps.

Q. Inside of how many days?—A. I did not do a thing until this item appeared in the paper; I made no effort; I thought it might interest him; he was a very good fellow, a chap that you would like and that you would feel like assisting.

Q. Before he left here at all had he discussed the question that you were appointed by him or that you would act for him in endeavouring to secure information?—A. No, he had not; he never discussed any—

Q. Why did you write him?—A. Because I had met him in a friendly way, and I thought his friendship merited some consideration or attention.

Q. A matter of friendship alone; did you meet any other truck men here at that time?—A. I was not introduced to any.

Q. He was the only truck man you met down here?—A. The only truck man.

Q. A large number of them around, you understood?—A. I understood from him at the time that there were quite a few of them, that they were—

Q. He was the only one you met?—A. The only one I met. I think there were quite a few of them that were interested in the same line of a truck, because he used to speak about his associates that had the same type of trucks. I think they expected to land some business and divide it between them. They thought it was a rich order.

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Q. Before he left there was no arrangement with you that you were to have a commission for acting for him?—A. No, there was no mention of commission.

Q. Or, as you put it, a problematical profit?—A. Or a problematical profit.

Q. Was there a problematical profit in this for you?—A. I had hoped that there might be, but I had no tangible evidence that there would be in any way—implied, or written, or in any way.

By Mr. Sharpe:

Q. He said that he did not want you to work for nothing?—A. He said something about that.

Q. That meant consideration if you placed an order?—A. Probably.

Q. There was no doubt about it, was there?—A. There is always a doubt.

Q. Did he not say if he placed an order you would get a consideration?—A. No, he did not say that.

Q. You said that a while ago?—A. No, I don't think I did.

By Mr. Fripp:

Q. In fairness to yourself, might not that reference to "close friend" be simply what we call "con" talk, in order to keep in with your principals?—A. I don't know; you can take that implication from it if you wish, but I would not stoop to that method, trying to mislead a friend.

Mr. FRIPP: You might write an optimistic letter.

By Mr. Nickle:

Q. Did you not think it was highly improper for you to go to your cousin, who occupied a confidential position, and endeavour to pump him for the purpose of giving information to a firm of contractors, and through giving that information you would receive pecuniary advantage?—A. Of course you might get some information that would not be entirely improper, and use it in a confidential manner. I do not see that it would be violating any law of honour.

Q. You knew that your cousin was occupying a confidential position with the Department, did you not?—A. Well, I did; I didn't intend to cause him any embarrassment.

Q. I do not think you intended, but do you think it is quite fair to pick him on the way down the street, and then divulge what you inquired about?—A. I don't know that it was improper; I may have said too much, or made too much out of it.

Q. Let us try and be logical; if it was not improper why did you try to close him up so that it would not leak?—A. Well, I will tell you probably one reason why. I had confidence in this man's honor. He was, as I say, properly introduced to me.

Q. Is not this a fact, that you felt you were giving away what you had no right to give away?—A. No; I may tell you what my object was in that, and this will probably clear that up. This man Millmann, of the Stegeman Motor Company, is a member of an association of motor car manufacturers or motor truck manufacturers who have a combine, or an understanding, or trust, or something of that nature, all using the Continental Engines and certain gears, and they take such orders as they may get—this is his explanation to me when he was here—and divide them, pool their orders in some manner *pro rata* with their output; and my object in writing him in a confidential manner was that he should not impart this information promiscuously to his whole organization or community of friends.

Q. I do not understand how that affects this principle, that you write him not to divulge this information for fear it would get back here?—A. Of course, as the letter states, I did not want to cause myself or Col. Hurdman any embarrassment by making any statement that might be construed as being improper or ill-advised.

Q. Would you not reasonably think that what you have said to-day would cause Col. Hurdman embarrassment?—A. That is the one reason I did not want the letters to go on file.

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By Mr. Bennett:

Q. And was not the prospective profit for yourself the beacon light all through the business?—A. No, I had no prospective profit; I had no problematical or prospective profit. I might have, as I said, a problematical profit, but it was not discussed.

Q. Had you not an anticipation that you were going to get something for your services?—A. I have not said so, No.

Q. You said this morning under oath here that you anticipated a problematical profit out of the binocular case; is that right or wrong?—A. Well, I don't think I said problematical profit; I said honorarium.

Q. All right; members of Parliament get \$2,500 a year; that is an honorarium; what do you think is a fair honorarium for you?—A. Well, my position in connection with the binocular was, as this Committee will appreciate, rather a delicate one. As I said to the Committee this morning, Col. Hurdman was in close touch with the Ellis firm, and this young chap Bell was a schoolmate of mine and in very poor circumstances.

Q. How about Bilsky?—A. Bilsky was a friend also.

Q. In very poor circumstances?—A. No, not necessarily; he would not come under that class.

Q. You wanted a piece of his profit?

The CHAIRMAN: Let the witness explain fully on his own line on that point.

The WITNESS: I felt sorry that there was no possible chance of the Bilsky firm getting some of those orders, for the reason that if they were banned for political reasons Ellis could buy indiscriminately; and I went out to reason this matter out with Col. Hurdman, to see if he had any influence with Mason, the purchaser for Ellis, and I found that there was not much use of Bilsky trying to get any orders, for the reason that I stated this morning, that Col. Hurdman was not in sympathy with Bilsky for some old reason of many years back—nothing to do with politics or anything of that kind—and after some days or sometime prior to Birkett getting this large order, Bilsky was loaded with 100 of those binoculars in New York with this same man who sold to Birkett, and as I told the Committee this morning I called into Bilsky's office at noon going to lunch, and he showed me this letter from Harris urging him to take delivery at once of these 100 binoculars. I said at once, "There is no use my going to Col. Hurdman to get this order for you; I will have to see the Colonel to the extent that it is not for you;" And I went to the Colonel and said: "Here is a case of getting 100 binoculars; can you get Mason or the Ellis firm to take them?" And he said, "I don't know, I will see;" and I named him the price which Bilsky told me to name him. However, there was nothing came of it.

Q. But the prospect of a profit for yourself was present?—A. It was not mentioned at all.

Q. It was present in your own mind?—A. I don't figure on profits unless they are arranged. I want the hon. members of this Committee to understand that I don't figure on a profit unless it is arranged, or I have some tangible evidence, in writing or otherwise, that I am going to get it.

By Mr. Nickle:

Q. Then you make a distinction between honorarium and profit?—A. Well, honorarium might be a gift.

Q. An honorarium is not a profit?—A. No, it is not a profit.

By Mr. Bennett:

Q. If you had in view any profit in the binocular case, you knew that the amount involved in the trucks would be much larger than for the glasses?—A. I was not worrying about it at all.

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Q. Was it not present in your mind that the amount involved for the trucks would be a much larger consideration than for the glasses?—A. I don't know as I did involve it.

Q. I am asking you now, knowing the facts, would not the cost of the glasses that you were trying to sell for Bilsky amount to less than the trucks that this man was trying to sell?—A. I suppose the Bill would be larger, naturally.

Q. And in proportion would you say the prospect of getting more out of it would be larger?—A. I don't know about that; it would depend on the generosity of the truck man and the generosity of Bilsky.

By Mr. Rhodes:

Q. In your letter of November 27th you have already given in evidence the statement, "I immediately got in touch with my cousin, and he informed me that the order had been placed yesterday by Major General Hughes in opposition to the advice given him by the Board of Experts, and also contrary to the wishes of the Purchasing Board," and you stated that you had that conversation with your cousin on the tram car coming down to your office?—A. That is my recollection, I think I had, or it may have been over the telephone, I am not sure.

Q. I want you to give your evidence as you would wish, and I want to be perfectly fair in my questions; you were quite positive in respect to that?—A. That was my recollection. It was coming up in the morning.

Q. Are you quite clear on that point?—A. Well, I would not be absolutely positive as to that morning or the subsequent morning, with the same conditions, and I drew his attention to a newspaper item. I know I said that I thought it was coming up; I do believe it was coming up that morning, but I may be wrong.

Q. In other words, you are not so positive now as you were when you gave the evidence an hour ago?—A. No, I have been thinking since that probably it was on another time that I saw him in regard to the newspaper items. I would not like—

Q. Now, you say as follows in your letter, "This information you will keep entirely to yourself. I would not like that you should mention it to any of your associates, as it might travel back and would injure our prospects of getting further information;" I would like to ask you what you mean by that? Did you mean that the information you had conveyed to him was improper, and that its coming back would interfere, might injure some official of the Government, or that merely it would interfere with your opportunity for doing further business? If you do not like my question, I would like you to explain it in your own words; What do you mean by that?—A. I hardly know how to express it. I felt that it might react in some way or other; I don't know just how, but I didn't want it to become general knowledge that I was imparting any information at all. I did not want to be drawn into it.

Q. Will you say that you did or did not have in mind the circumstances that the information that you were imparting in this way was improper?—A. No, I did not consider it was improper but I thought it would be judicious that it would be kept confidential.

Q. Would you say it was injudicious to impart information of that kind, and therefore you would want it kept?—A. No, I would not say it was injudicious to impart it to a friend.

Q. Will you say now that you cannot explain just what you meant by the use of that language?—A. No, I don't think I said that. I could not explain it.

Q. I wish the record to be absolutely clear and to be precisely as you wish it in respect of that; if you will make a statement with respect to it, please do so?—A. I will trouble you for the letter. (Witness receives letter). Well, I might say, Mr. Rhodes, that what the sentence implies is that I did not want this information to be scattered among his associates—just what the sentence states—and for the reason that I did not want the whole community of truck manufacturers to benefit by any information that I might give him in a friendly way.

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Q. To benefit in what way?—A. Well, I don't know whether it would be any benefit to them or not. I might think that it was at the time. I don't know whether that was any use to them. Evidently it was not.

Q. Then will you say positively that the information is not of an improper nature?—A. Yes, I will say it is not.

Q. Would you say that it was more or less in the nature of exclusive information?—A. Yes, I should think. I hardly would say that it was exclusive. To me it appears as though it was information that might be of some value to them.

Q. You thought it was valuable information that you were imparting to them?—A. I thought it was of some value.

By Mr. Nesbitt:

Q. When you say you did not want the other associates to know it, was it from the point of view that he would make all the sales himself and that his associates would have nothing to do with it?—A. No, I don't think that would affect the arrangement, because they had some arrangement for pooling, anyway.

Q. Who told you that?—A. He did.

Q. You were right in the thick of it?—A. Oh, yes, very thick.

Q. Can't you remember your commission? What was your commission to be?—A. I told you there was not any commission.

By Mr. Rhodes:

Q. With reference to this statement in your letter of December 4th to Mr. Millman, "I have however a very close friend through whom I can get all the information and will endeavour to reach him some time to-day," you have already stated that that has not reference to Col. Hurdman?—A. No, it has no reference whatever.

Q. You still affirm that you have absolutely no idea whom you had in mind when you wrote that?—A. I still affirm that I had no idea who I referred to.

Witness discharged.

T. M. BIRKETT, recalled.

By Mr. Carvell:

Q. Did you bring your invoices from the Harris concern?—A. Yes.

Q. Have you got them?—A. Might I ask a question, Mr. Chairman, before handing over these invoices? My connection with this piece of business was a specific order from Messrs. Ellis, who gave me this order; I was to procure as many as I could up to 400 at a given price, which price, they said, they were prepared to pay—it was not my price. I did that, and procured—

By the Chairman:

Q. For a specific quantity of glasses?—A. Precisely. It was that I was to supply all which I could up to 400.

Q. Of a certain standard?—A. Yes, sir. Well, this was a deal between Messrs. Ellis and myself. I was to get those goods as reasonably as I could.

The CHAIRMAN: What is your question?

The WITNESS: Is it right or necessary for me to hand my invoices over?

The CHAIRMAN: Yes, I think everything should go in that will show the facts—everything.

The WITNESS: I have nothing to conceal (handing in invoices of Milton Harris, New York, dated September 28, 29, October 6, 9, 10, 17, and of H. & D. Folsom Arms Co., New York, dated December 4, 9, 12).

Mr. T. M. BIRKETT.

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By Mr. Carvell:

Q. The first invoice is No. 21,666, September 28, 1914, from Milton Harris, New York, to T. M. Birkett, as follows:

		To Milton Harris, Dr. Sterling Deposit Wares. Specialties.	21666
		Jeweler's Bldg., 9-11 Maiden Lane, New York, September 28, 1914.	
T. M. Birkett,			
Ottawa, Canada.			
10 B. & L. binoculars at \$26.14			\$261 40
4 " " 3 x 25 M.M., \$29.40			117 60
			<hr/>
			\$379 00

Q. The duty paid on this invoice was \$94.75?—A. Yes.

Q. There is a similar invoice pinned to the one just read, except that it has this line added, "Commission, \$37.90" what does that mean?—A. It means that anything he was to procure he would not give them over without I would pay commission of 10 per cent to him.

Q. That is, to whom?—A. Harris.

Q. You bought the glasses from Harris?—A. Yes.

Q. And you then paid him a commission of 10 per cent?—A. Yes.

Q. Who did the 10 per cent commission go to?—A. It went to Harris.

Q. You paid him for the glasses and then you paid him a commission besides that?—A. Yes.

Q. Do you want to swear to this Committee that you do not know where that 10 per cent commission went?—A. I say I do know where it went; it went to Harris.

Q. Do you know what Harris was to do with it?—A. No, sir, not the faintest idea. That was the arrangement. He would buy glasses; he hadn't those glasses in stock; he knew where they could be procured; he scoured New York City, and he said he would invoice them to me at what cash he would pay for them. For that he was to get 10 per cent.

By Mr. Nickle:

Q. He was a subsidiary agent for collecting glasses; he went out and got them, and then got a commission?—A. Yes, all those were cash transactions; the commission was put over in each case that the glasses were bought.

By Mr. Carvell:

Q. The next invoice is September 29, also numbered 21666, from Milton Harris, as follows:

		To Milton Harris, Dr. Sterling Deposit Wares.	21666
		Jeweler's Bldg., 9-11 Maiden Lane, New York, September 29, 1914.	
T. M. Birkett,			
Ottawa, Canada.			
4 Colm binoculars, No. 5612-8x, \$25.75			\$103 00
1 Stereophos, No. 25378-8x			21 00
1 " 25349-8x			17 00
1 Megophos, No. 25160-8x			17 00
			<hr/>
2 Lema-binoculars, No. 18804-6x, \$40.80			\$ 81 60
1 " " 1068-6x			40 80
			<hr/>
Less 25 per cent			\$122 40
			30 60
			<hr/>
			\$ 91 80
			1 83
			<hr/>
			89 97
			<hr/>
			\$247 97

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Q. I notice that the first four items amounting to \$158, are extended out to the main column, but from the last two items, amounting to \$122.40, they take off 25 per cent, so that those 3 binoculars at \$40.80 each would be \$30.60 at that point?—

A. At that point.

Q. Then 2 per cent is taken off?—A. That is for cash.

Q. Then you add to the whole amount of the invoice, \$247.97, a commission of 10 per cent as shown on the duplicate invoice attached?—A. Yes.

Q. And the duty paid on this invoice was \$62.—A. Yes.

Q. Then we have the third invoice, dated October 6, 1914, and numbered 22554, as follows:

To Milton Harris, Dr.
Sterling Deposit Wares. 22554
Jeweler's Bldg.,
9-11 Maiden Lane,
New York, October 6, 1914.

T. M. Birkett,
Ottawa, Canada.

8 only binoculars, at \$20 pair.. . . .	\$ 160 00
1 " (Prism) at	28 50
1 " (Zeiss) at	27 00
25 " at \$25 pair.. . . .	625 00
	<hr/>
	\$840 50
15 only binoculars, at \$24 pair.. . . .	360 00
	<hr/>
	\$1,200 50

Q. The duty paid on that invoice was \$254.25, and expressage \$2.85?—A. Yes.

Q. And to that you added 10 per cent commission, \$120, as shown on attached duplicate?—A. Yes.

Q. Then we have invoice numbered 22901, dated October 9, as follows:

To Milton Harris, Dr.
Sterling Deposit Wares. 22901
Jeweler's Bldg.,
9-11 Maiden Lane,
New York, October 9, 1914.

T. M. Birkett,
Ottawa, Canada.

1 only binocular.. . . .	\$ 20 50
3 " at \$20.. . . .	60 00
8 " at \$23.25.. . . .	186 00
3 " at \$29.50.. . . .	88 50
11 " at \$25.. . . .	275 00
8 " at \$30.. . . .	240 00
3 " (Autocrast) at \$33.. . . .	99 00
2 " at \$24.. . . .	48 00
	<hr/>
	\$1,017 00

Q. The duty paid on that invoice was \$254.25, and expressage \$2.85?—A. Yes.

Q. Then 10 per cent commission was added to that, \$101.70, as shown on duplicate?—A. Yes.

Q. The next invoice is numbered 22901, October 10, 1914, as follows:

To Milton Harris, Dr.
Sterling Deposit Wares. 22901
Jeweler's Bldg.,
9-11 Maiden Lane,
New York, October 10, 1914.

T. M. Birkett,
Ottawa, Canada.

2 binoculars at \$22.. . . .	\$ 44 00
3 " (Zeiss) at \$26.14.. . . .	78 42
	<hr/>
	\$122 42

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Q. The duty paid on that invoice was \$30.64, and the expressage 85 cents?—A. Yes.

Q. And you added 10 per cent commission, \$12.24, as shown on duplicate?—A. Yes.

Q. The next invoice is not numbered, but it is from the same parties, dated October 17, 1914, as follows:

Sterling Deposit Wares.

Jeweler's Bldg.,
9-11 Maiden Lane,
New York, October 17, 1914.

T. M. Birkett,
Ottawa, Canada.

2 binoculars at \$25 pair \$50

Q. The duty paid on that was \$12.50 and expressage 55 cents?—A. Yes, I presume so.

Q. What about the remainder of the invoice?—A. That is all from Harris. I think that figures up 118. I bought the others from the H. & D. Folsom Arms Co., of New York.

Q. Here is the first invoice from Folsom Arms Co., dated December 4, 1914, and numbered 28594.

The H. & D. Folsom Arms Co.,
314 Broadway,
New York, N.Y., U.S.A. 28594
December 4, 1914.

Sold to T. M. Birkett, Canal st.,
Ottawa, Canada.

13 binoculars, No. 25346, at \$23	\$299 00
Less 2 per cent.	5 98
	<hr/> \$293 02

American Express, 1 case.

Q. The duty does not seem to have been figured up?—A. It went through customs at 25 per cent for duty.

Q. The next Folsom invoice is numbered 29125, dated December 9, 1914.—A. Yes.

The H. & D. Folsom Arms Co.,
314 Broadway,
New York, N.Y., U.S.A. 29125
December 9, 1914.

Sold to T. M. Birkett, Canal st.,
Ottawa, Canada.

1 pair binoculars, No. 25346	\$23 00
2 " " 19039-8x, at \$23	46 00
	<hr/> \$69 00
Less 2 per cent.	1 38
	<hr/> \$67 32

American Express.

Q. The next is numbered 29303, December 12, 1914, as follows:

The H. & D. Folsom Arms Co.,
314 Broadway,
New York, N.Y., U.S.A. 29303
December 12, 1914.

Sold to T. M. Birkett, Canal st.,
Ottawa, Canada.

30 pairs binoculars at \$31	\$930 00
Less 2 per cent.	18 60
	<hr/> \$911 40

American Express.

Mr. T. M. BIRKETT.

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The CHAIRMAN: The meaning of "duty paid" is that they paid 25 per cent to get them in?

Mr. CARVELL: That is what the witness says.

By Mr. Carvell:

Q. Are those all the invoices that you have?—A. Yes.

Q. Then you bought them all from two sources?—A. I bought one each from two other people, from whom I have no invoice.

Q. Just locally?—A. One was, and one was in Montreal.

Q. The probabilities are you paid a pretty fair price for those?—A. Yes.

By Mr. McKenzie:

Q. What was the number that you were authorized to furnish?—A. 400, at a specific price.

Q. Did you furnish your limit?—A. No, sir, I could not, I furnished 166.

Q. And the other two would make 168?—A. I am at a loss as to how that is. 166 is all I figured up.

By Mr. Carvell:

Q. How many of those 166 or 168 were Bausch & Lomb binoculars?—A. (Examining invoices) I find 14 that are specially marked "Bosch & Lomb."

By Mr. German:

Q. What is the price of a Bausch & Lomb binocular laid down here?—A. I don't know; it came to my ears when they were being supplied that some were paid as high as \$65. I don't know.

Q. I mean those that are set out and mentioned in those invoices; I am taking the Bausch & Lomb prices, because we had evidence from the patriotic Mr. Ellis that he broke the Bausch & Lomb prices?

Mr. CARVELL: Yes, and that was before these were bought, too.

Mr. BLAIN: He submitted a statement proving that, too.

Mr. GERMAN: Well, I don't know how that goes. I see there are 10 Bausch & Lomb binoculars, say \$26.14 each, purchased on the 28th September, 1914, according to this invoice; Is that right?—A. Yes.

Q. And there are 4 on the same date at \$29.40 each?—A. Yes.

Q. How does the Bausch & Lomb price figure out with the duty added?—A. Roughly, \$39.50.

Q. On this invoice I find 10 Bausch & Lomb binoculars at \$26.14, making \$261.40, and 4 at \$29.40, making \$117.60, making a total of \$379 in all, and what do you say the duty was?—A. 94.75.

Q. That would be \$473.75 or \$33.71 each, adding the duty of \$94.75 they apparently paid commissions to everybody?—A. I don't know that that follows;

By Mr. Blain:

Q. Did you buy them for that?—A. No.

By Mr. German:

Q. You paid 10 per cent besides that to the New York people for getting them for you?—A. I did.

Q. And then the Government paid 10 per cent commission to Ellis for getting them?—A. I don't know anything about that.

By Mr. Nickle:

Q. You got your full commission?—A. On \$52.

Mr. T. M. BIRKETT.

By Mr. Blain:

Q. I see you paid \$29 for some, \$25 for others, \$29.50 for others, \$30.50 for others, all the same article; how did that happen?—A. That happened in this way, that I undertook to procure those glasses. They were wanted, and wanted in a hurry, and he hired an automobile and went from one end of New York to the other to get those where he could find them, and paid the cash over the counter for them, and told me he would bill me as he paid, and I was to allow him 10 per cent.

Q. Showing there was a very great scarcity of those articles?—A. A very great scarcity. Every Government who was connected with this war were there applying, and unless you took a thing the moment it was offered to you, five minutes later you could not get it. The cash had to be there, they would not even take a cheque or a draft; it had to be cash.

Q. Did you make any effort to buy sufficient to fill the number?—A. I did my utmost.

Q. In what way?—A. Through this gentleman. He kept writing me saying he had so many of this kind and so many of another kind; submit those names to Col. Hurdman, whom I suspect was the inspector, and some of them were all right and some were all wrong and would not be accepted at all. That is why the quantities in some cases are very small. He would collect, or have the refusal of say 10 or 12 somewhere, but would probably take three or four of them.

Q. Two of those not mentioned in these invoices were bought by you and accepted by the Government?—A. Yes.

Q. Did you send your man to New York more than once?—A. I sent him on the first visit.

Q. Did you send him again?—A. He went down the second time, yes.

Q. How many did he buy the second time?—A. He didn't buy any because he couldn't get them. When he was down the first time I just forget the number, but I said this morning I thought it was 36; I don't know if I am right or not; the invoice will show; and he received a promise that by the following Saturday he would have 100 ready if he came back again. The limit in the price of these, if I remember correctly, ran up to \$38—anything he could purchase up to and including \$38—and he was to get his commission over and above that, which would bring the limit to \$41.80 so far as he was concerned. My young man went back there the following Saturday and there were none for him.

Q. Ready to pay that price?—A. Ready to pay that price, and notwithstanding that when he went there on the Wednesday he had left with him \$1,310, which was simply good faith that he would call back the following Saturday and pay whatever balance was necessary.

Q. And would you have bought more glasses if you could, even at a much higher price?—A. Yes, sir, I was quite prepared to do it, and I went so far as to submit glasses that would cost me \$50 in New York plus my commission, which I had to pay off 10 per cent, making \$55 in New York. I submitted glasses of that kind, but they were not what were wanted and would not be accepted, consequently I did not buy them; he said they were not what was wanted.

Q. Then when you were trying to fill the balance of your order it was not a question of price?—A. I was willing to fill that order if I did not make a cent on it.

Q. It was not a question of price; the point was that you could not buy the binoculars for any price?—A. For any price.

Q. You were saying something about the reason why you could not get them; was it because there were none there?—A. That was the reports I got. I would get a telephone message or a telegram or a letter, and by the time I would get the answer back they had been picked up by somebody else.

Q. The prices were constantly increasing?—A. The prices were constantly increasing every day; they did not remain open a minute.

Mr. T. M. BIRKETT.

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Q. Owing to the British Government and the French Government buying in the United States?—A. What this gentleman in New York said, the Russian Government had representatives, the German Government had representatives, the French and Canadian all had representatives buying the same kind of articles. Notwithstanding that, I think probably I did very well to get the quantity I did get.

By Mr. Carvell:

Q. Let us follow this up; on the 28th September, you had to pay \$26 and \$29 plus the 10 per cent commission to get the glasses, didn't you?—A. Yes, sir, whatever is there. I haven't got this all in my mind; I leave that with you.

Q. On the 29th September, the next day, you had to pay \$40.80 less a discount of 25 per cent and 2 per cent which brought it down to \$30.01?—A. Yes.

Q. And on the 6th of October you bought them at \$20, \$25 and \$24, on the 7th October you bought them at \$20, \$23, \$20, \$25, \$30, \$35 and \$24. On the 10th October you bought them at \$22. On the 17th October you bought them at \$25. How do you account for the prices going down so rapidly?—A. It may be a different style of a glass.

Q. That is the only way you can account for it?—A. That is the only way I can account for it.

Q. They were all passed by Col. Hurdman?—A. I said this morning I didn't know.

Q. He is the only man you know anything about passing them, isn't he?—A. No, sir.

Q. They were passed by the Government, anyway?—A. Precisely.

Q. And you got your pay for them?—A. Yes.

Q. And you turned around and sold them to Mr. Ellis or to the Government through Mr. Ellis for \$52?—A. Yes.

Q. Notwithstanding that the prices were continually going down?—A. When Mr. Ellis gave me that order that was his price, \$52. I didn't know at that time what I would have to pay for glasses; I didn't know what they would cost me.

Q. Then, to keep the record straight, on December 4, you were able to buy them at \$23; on December 9th you bought them at \$23 less 2 per cent discount; and on December 12th you bought them at \$31; now, that is the range of prices I have given you. Now, do you mean to tell me, in view of those prices going down to the extent that they did, that there could be a fearful shortage of glasses that you are trying to describe here?—A. I am saying that I am only repeating what excuses were given to me from time to time that those glasses were not coming on to me.

Q. It is only the knowledge you got from other parties?—A. Precisely?

By the Chairman:

Q. You tried your best to fill up the full 400 the order requested?—A. I did my utmost.

Q. But did not get half?—A. No.

Q. There would have been money in it for you if you could have filled them?—A. Yes, sir, probably, if I got them at the proper price.

Q. You tried your best?—A. I tried my best, irrespective of any profit.

Q. Or any offer?—A. I had their offer; and every offer which either of those gentlemen made me—which were the only two that I dealt with except those two glasses I mentioned—irrespective of their price, I submitted to Col. Hurdman. If he would accept them, I would get them, and some ran as high as \$55 in New York.

By Mr. Sharpe:

Q. Were you paid by the Government cheque or by cash?—A. I was paid by Ellis. My order was a specific order from Ellis, and I was paid by Ellis by cheque.

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Q. Did you deposit that to your account in the bank?—A. Some I did and some I didn't.

Q. When you cashed a cheque did you take some cash out or did you cash it all by cheque?—A. I can't say that because there were 7 or 8 different cheques which I got.

Q. Did you deposit that to your credit?—A. I deposited some.

Q. Did you cheque anything out in the way of commissions with that \$2 item?—A. No, Sir.

Q. Nobody got that \$2?—A. No, sir.

Q. You are positive about that?—A. Quite.

Witness discharged.

Committee took recess till 3 p.m.

ALEXANDER TAYLOR, called, sworn and examined.

By Mr. Carvell:

Q. You are the gentleman referred to this morning by Mr. Birkett?—A. I am.

Q. As being interested in the purchase of these binoculars. A. Yes, sir.

Q. Where is that agreement that was produced this morning?—A. That is, about my signature?

Q. Yes?—A. That is mine.

Q. You know the document to which I am referring?—A. Oh, yes, certainly.

Q. And you were present when it was signed?—A. I was.

Q. Where was it signed?—A. Bilsky's office.

Q. Had it been prepared before you went to Bilsky's office?—A. Not to my knowledge.

Q. Who took it to Mr. Bilsky's office?—A. I don't know.

Q. Do you know who prepared it?—A. I do not. As I understand it was prepared between Mr. Birkett and Mr. Bilsky. When I came in there they were discussing it; I was not there at the first; it may have been fetched by Mr. Birkett; I don't know for certain.

Q. You are an employee of the Birkett Company?—A. I am.

Q. Are you a stock-holder?—A. No, sir, just an employee.

Q. And you got a portion of the profits of this binocular transaction?—A. Yes, sir.

Q. Did you and Mr. Bilsky go to New York?—A. We did.

Q. Why did you go there; tell us generally?—A. I was sent over to pay for them; that was my part of it.

Q. Did you have anything to do with the buying of them?—A. No, sir.

Q. By whom was that done?—A. By Mr. Bilsky.

Q. Did Mr. Bilsky introduce you to any person?—A. Yes, sir, Milton Harris. Mr. Stein is head man.

Q. Were you present when the purchasing took place?—A. At times; sometimes I was not.

Q. You knew the details, then, did you?—A. No, sir, I paid no attention to the details. I know nothing about a binocular.

Q. You did not know the kind of glasses you were purchasing?—A. I had a list, but I gave it to Mr. Harris.

Q. And you were not an expert in any way at all —A. No, would not know anything about them.

Q. And Mr. Bilsky would be considered an expert?—A. Well, he would know more than I would.

Q. Practically he has been in the business a great many years?—A. Yes, that is in the jewelery business.

Mr. ALEXANDER TAYLOR.

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Q. Do you know that he has also been handling binoculars?—A. In a small way, that is, especially glasses than what were bought.

Q. Did you have any instructions to buy any class of binoculars?—A. I went to Mr. Bilsky; Mr. Bilsky had instructions, however, if my memory serves me right it was certain glasses; there were six and eight power, eight power preferred, 21 and 23—but what 21 and 23 meant I don't know.

Q. Would they be Bausch & Lomb?—A. Not necessarily.

Q. That is your recollection, any way, they were not Bausch & Lomb?—A. Not necessarily, no.

Q. Do you know what efforts Mr. Bilsky made towards purchasing binoculars?—A. Previous, or on our behalf?

Q. On your behalf?—A. Oh, he met us, and we landed in New York Sunday morning, and I think it was Monday night he left New York, and he left me in New York then.

Q. Did he introduce you to any of the other dealers in glasses, other than Harris?—A. Not a one.

Q. Did you ask him to?—A. No, sir.

Q. When you went to New York was it your intention to interview Harris only?—A. I went over with the idea that we could get 400 glasses to come back with us.

Q. Then you evidently do not know very much about what took place in New York?—A. No, I do not.

Q. You paid for the glasses?—A. I paid for the glasses, yes, sir.

Q. Did you pay for the glasses altogether in cash?—A. I had \$4,000 in \$500 drafts, and they were deposited in the Irwin National Bank; I think it was \$2,000 on the first lot.

Q. Was there any trouble about getting cash?—A. Yes.

Q. What was the trouble?—A. I did not have a letter of indentification when I went down to the bank.

Q. That is, after you deposited the drafts?—A. No, when I went into New York on the Monday morning Mr. Bilsky and I and Mr. Stein went down to the bank, I forget the name of it, it is in the *Times* building, and asked for the manager, and he asked if I had a letter of introduction; I had none; these drafts were payable to my order; we went back to Milton Harris' office, and he took and deposited them in his own bank; I had no more trouble after that, and I didn't have enough of them; they would take all I had.

Q. You did not have enough drafts?—A. No.

Q. Did you have any difficulty in raising money to pay the parties from whom the glases were purchased?—A. No.

Q. You were informed by Mr. Harris that he could not get any more of the glasses which he purchased?—A. Well, all the glasses that I purchased from Mr. Harris was the first two lots, I think, if my memory is clear. Mr. Bilsky fetched home some in a valise and passed them through the Customs. The invoice, I think, was made to Mr. T. M. Birkett—I am only speaking from memory—and when I came home on Wednesday morning I think I fetched eight. After that I went to New York; I left \$1,310 on deposit on 100 of the 6 power 21, as a beginning. When I went back on Monday morning I was informed there was not a glass. I stayed there; I got in about a quarter to nine down there in the Jewelers' Building, where Milton Harris keeps his place of business, and stayed there until a quarter to 12, and I insisted on a cheque for my money. Then when I got the cheque we went down with the young lady, she sent me down to the bank in the *Times* building to get the money, and I came back and bid him good-bye. He wanted me to leave \$300 or \$400 or \$500 for him to secure the completion of the order, but I refused. He asked me if I would come back; I said I might. I did not come back. When I went back I was with a friend from Ottawa here; we knocked around New York that afternoon, and went over and seen Brooklyn Bridge, and walked up Broadway from Wall St., to 38th St., and went into a hotel, and I have not seen Milton Harris since.

Mr. ALEXANDER TAYLOR.

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Q. Then you made no further efforts to buy any glasses?—A. No, sir, had nothing more to do with him.

Q. Would you have been willing to buy more glasses at a higher price?—A. Certainly.

Q. Was there any limit on the prices you were to pay?—A. From Ellis?

Q. Well, from yourselves and your associates?—A. Well, the first time I went over I was allowed to go as high as \$38, if my memory is right, in New York.

Q. The second time?—A. They were bought; he was supposed to have 100 glasses there for us; there was \$1,310 on deposit for him.

Q. Did you have any limit on the prices you were to pay when you went back the second time?—A. I was not going to buy any more at the present time; they were bought; all I went for at this time, there was \$1,310 on deposit.

Q. At what price were they bought?—A. No set price, that is definite price; there was a bulk approximate.

Q. Of how much?—A. Well, anywhere within the limit up to \$38.

Q. Was that your limit?—A. That was my limit as I understand.

Q. Your limit the second time was also \$38?—A. Well, it was not discussed. I only had \$4,000 with me; \$1,300 was in New York to fetch those 100 glasses, if he was able to send any more glasses I was to wire and the money would have been wired to me. For instance, if he had two hundred glasses or 150 or 125 and I had only the money there for 100 I would have wired to Mr. Birkett.

Q. I would like to have an answer to my question, was there any limit placed upon the price which you were to pay when you went to New York the second time?—A. No.

Q. No limit?—A. No, sir.

Q. There was a limit the first time of \$38?—A. Well, that was the understanding.

Q. But so far as you were concerned you made no attempts to buy any other glasses?—A. No, sir.

Q. Do you know what was to be done with the \$2 which was to have been deducted from this—profits, that is what it would mean—which is put in this document as “incidentals”? I find no document which the deduction of \$2 but you signed a document in which there had been \$2 deducted?—A. Not to my knowledge.

Q. Is that your signature? (Producing Birkett-Bilsky-Taylor agreement)?—A. I don't remember.

Q. I want you to look at it; did you not sign that document?—A. Yes, certainly.

Q. Is not there a deduction of \$2, which has been erased, \$2 for “incidentals” per glass—“\$2 above mentioned to be borne half by Sam Bilsky and a quarter each by Birkett and Taylor”; I want you to go back and read the other erasure?—A. We agreed on \$2 deducted for incidentals.

Q. That is erased “\$2 deducted for incidentals”?—A. Yes.

Q. Was that erased when you signed the documents?—A. I don't remember.

Q. Was there any discussion about that \$2 in your presence?—A. Not that I remember.

Q. That is singular, isn't it?—A. Well, I will tell you. It is peculiar about this thing. I didn't know I was going to New York until about half past 2. I was all ready to go away, and I had to turn around and change my plans; I had to go up to change my clothes, change my outfit, and get ready to go to New York. In fact I didn't want to go to New York, I was going up on the lakes.

Q. Anyway, you did sign that document?—A. I signed the document.

Q. And it has those words erased?—A. Yes, I see them erased.

Q. And you don't know whether they were erased when you signed it or not?—A. I don't know; I didn't get a copy of that agreement; there was no copy of that agreement given to me; personally I didn't get one.

Q. Did you sign it without reading it over?—A. I don't think so.

MR. ALEXANDER TAYLOR.

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Q. Your name comes before Mr. Birkett's on that agreement doesn't it?—A. I don't know whose it is before.

Q. Was your name signed there before Mr. Birkett's was?—A. Oh yes, if it was on there, certainly.

Q. Did you read it over before you signed it?—A. I couldn't say; I heard them talking about the agreement and Mr. Bilksy took it within his little office and Mr. Bilsky took the agreement away and came in; we had about 15 minutes to catch the train.

Q. Was there any talk about what was to become of this \$2?—A. No, not that I heard.

Q. Did you and Mr. Birkett discuss about paying \$2?—A. No, the only discussion was with Mr. Bilksy.

Q. Did you discuss with Mr. Bilksy about paying this \$2?—A. No.

Q. Did Mr. Bilksy tell you to whom the \$2 was to be paid?—A. No.

Q. Did you tell Mr. Bilsky to whom the \$2 was to be paid?—A. Not to my knowledge.

Q. Was there any discussion about this \$2 by Col. Hurdman?—A. Not to my knowledge.

Q. Before or since?—A. No.

Q. Have you paid anything to Col. Hurdman?—A. No, sir.

Q. Do you know if anybody else has on this transaction?—A. Not at all.

Q. Did you ever figure up what your profits were?—A. Well, I couldn't say. I think after I came back from New York mine was \$385 or \$356 after my expenses were paid; about \$385 was what I deposited in the bank.

Q. I have figured this up from the invoices, taking the costs of duty and express insofar as we have charged up, and I find that it amounts in all to the sum of \$5,318.11 that you paid—if I am wrong in the figures they can be easily checked up and corrected from the invoices, but I think you can accept them as being correct—and I find that you received \$8,632; that would be 166 pairs of glasses at \$52 a pair; that was the price you were getting, was it not?—A. I had not much to do with the deal. I was told afterwards we got \$52.

MR. RHODES: I thought of the 166 there were a number of those at \$42.

MR. CARVELL: No, there were three or four of them that were down to \$30.

THE WITNESS: Anything that was got away from Milton Harris, I am not in it.

By Mr. Carvell:

Q. I think the profit is so big that it would be up to you to make an investigation, and I want to give you the figures. Taking the whole deal, the Milton Harris, I think, was 120 and the whole deal was 166 exclusive of the two pairs the price of which Mr. Birkett did not give us. Now I find the total amount of those 166 glasses would be \$8,632; that you paid for the glasses, including the 10 per cent commission in New York, including the expressages so far as given, and including the duty would be \$5,318.11, which leaves a balance of \$3,314 of profit on an expenditure of \$5,318, or about 62 per cent profit. Now in addition to that there would be some personal expenses, and I want to be fair with you; will you tell me how many trips you made to New York?—A. I was there twice.

Q. How long were you there the first time?—A. That Saturday night and Sunday, Monday, Tuesday and Wednesday.

Q. You were there four days then?—A. Yes.

Q. Would you say that \$100 would be reasonable expenses?—Oh yes.

Q. Very generous, wouldn't it?—A. Yes.

Q. I think we might say that \$50 would pay the legitimate expenses?—A. Well, I didn't hang down in the office very much; I went around and seen New York.

Q. However, we don't expect you to charge up your junketing trips around New York to the cost of this?—A. I didn't have any.

Q. I don't mean that offensively.

By the Chairman:

Q. Did you see Old Trinity down town?—A. Yes.

The CHAIRMAN: That is enough.

By Mr. Carvell:

Q. Would not \$50 pay the expenses?—A. The fare was \$15.22 over, and there would be the sleeper, and Mr. Bilsky insisted on staying at the Knickerbocker, which was \$5 a day for the room; a cocktail was 60c in the morning if you had one, and if you eat your meals there you know what they cost.

Q. I have not stopped at the Knickerbocker?—A. Well, that is where I stayed.

Q. Anywhere from \$50 to \$100 a trip, around there?—A. Somewhere around there should have covered.

Q. Any other expenses?—A. Automobile to go around.

Q. You get an automobile for \$10 or \$15 a day?—A. \$5 an hour, that is for a big car, but you can get them as low as \$3 an hour.

Q. \$15 a day?—A. I didn't have one for a day.

Q. Do you think now I would be generous if I would say that your legitimate expenses would not exceed \$300?—A. I think as near as I can figure my two trips they would be between \$150 and \$160.

Q. Any other expenses that you know of?—A. No.

Q. And yet you only got \$300?—A. Well, I spent, for instance, considerable money over there. For instance, I fetched home quite a few ties, I fetched home some shirts, some collars.

Q. Don't be gay; I am trying to treat you very fairly, and there is no necessity of talking about ties and collars and shirts; I want you to talk business and tell me what were your expenses in connection with this business transaction?—A. My part of it I would judge would be between \$150 and \$160.

Q. Did you have any other expenses?—A. No.

Q. And you only got \$300 out of it?—A. No, I got \$385 after the thing was settled up, and I had drawn some money for my own use out of this money I took to New York. I was figuring my profits would have been between \$500 and \$600 on the deal.

Witness discharged.

SAMUEL BILSKY, called, sworn, and examined.

By Mr. Carvell:

Q. Where do you reside?—A. Ottawa.

Q. What is your business?—A. Jeweller.

Q. How long have you been a resident of and doing business in Ottawa?—A. I have been born in Ottawa and I was in business ever since I left school.

Q. You have been in business 20 years, then?—A. About that.

Q. What is your business?—A. Jeweller.

Q. Where is your place of business?—A. On Rideau street.

Q. In the Corry Building?—A. In the Corry Building, opposite the Chateau Laurier.

Q. Have you dealt in binoculars all those years?—A. For ten or 15 years.

Q. Have you a knowledge of the manufacturers of binoculars in America, and dealers generally?—A. I have.

Q. Tell me who are the principal manufacturers of binoculars?—A. The Bausch & Lomb is about the largest factory in America.

Q. Where are they?—A. Rochester, New York.

Q. Anybody else?—A. There is a factory down in Swansea, I think, in some part of Wisconsin, where they manufacture.

Q. As soon as war broke did you make any attempts to do business with the Militia Department for binoculars?—A. I did.

Mr. SAMUEL BILSKY.

APPENDIX No. 3

Q. What did you do?—A. I went and seen Col. Hurdman.

Q. Tell us what took place?—A. Col. Hurdman, I went there with Mr. Bell, Col. Hurdman told me that there was an order issued out to Mr. Brown for 100 glasses, but if Mr. Brown could not fill that order that he would get in touch with us.

Q. What Mr. Brown is this?—A. W. J. Brown, real estate.

Q. Has Mr. Brown ever handled any glasses?—A. Not that I know of.

Q. Then did you see Mr. Brown?—A. Yes, I went with Mr. Brown to New York. Mr. Brown, through a third party, came down to see me, saying he had an order for 100 pair of glasses from Col. Hurdman, and asked me could I supply them. I told him I could. He asked me would I be prepared to go down to New York to get the glasses. I said I would.

By the Chairman:

Q. Who else did you see?—A. Also a real estate man by the name of Tradburks. At the time I did not know Mr. Brown was connected with the binoculars.

By Mr. Carvell:

Q. Did you have any agreement with Brown?—A. I had not; it was with Mr. Tradburks.

Q. What was your agreement with Tradburks?—A. We were to supply 100 pairs of glasses at \$52. We were to buy them, pay for them, and split the profits.

Q. You taking half and he and Brown half?—A. He the other half—Tradburks the other half.

Q. You went to New York then with Mr. Brown?—A. Going down to the station I got my transportation; Mr. Tradburks introduced me to Mr. Brown. I went to New York with Brown and Tradburks, both of them.

By Mr. Sharpe:

Q. Can you tell us the date?—A. I don't know it offhand. Have you got that invoice from the Consolidated Company (Invoice handed to witness)? I judge it will be somewhere about the early part of September.

Q. What did you find when you got there?—A. Went down to the hotel; Mr. Tradburks says, "Here, Bilsky, we have got to divide the profits of these glasses in four." I asked why. He said, "Well, Mr. Brown had to divide with another party," He did not mention the name of the third party. So I says, "If that is the case we are all off, you can go ahead and look for the glasses yourself." I brought him down to a place where we could get glasses and introduced him to the party. They were asking at the time about \$27 or \$28, so Brown says, "They are too high."

Q. What were the glasses?—A. Meyer binoculars. So he said, "The price is too high; we have got to work it inside." I said, "You had better go ahead yourself." He stopped at the hotel, but I never spoke to him or touched him *re* glasses ever since.

Q. Do you know if Mr. Brown did succeed in furnishing any of those glasses?—A. I believe he went to Philadelphia and got about 12 or 15 pair of glasses.

Q. What kind?—A. Inferior grades of Bausch & Lomb glasses.

By Mr. Bennett:

Q. Is this hearsay, or were you told it as a fact?—A. He showed me the glasses with the invoices.

By Mr. Carvell:

Q. You saw the glasses yourself?—A. I did.

Q. With the invoice?—A. Yes.

Q. What was the invoice price?—A. I am not positive but somewhere around \$13 to \$15.

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Q. What was the particular make of those glasses?—A. They were binoculars.

Q. What were they called?—A. They were called the Brown Specials.

Q. Are they an inferior glass?—A. Well, they are not a legitimate glass. What I mean when I say legitimate glass is a standard make.

Q. And they are not?—A. They are not recognized as a standard make.

Q. This may be a little hearsay, and if there is any objection I will not press it; but do you know whether those 12 or 15 glasses which you saw and of which you saw the invoices went to the Department?—A. Mr. Tradburks told me——

By the Chairman:

That is not evidence.

By Mr. Fripp:

Q. Who is Tradburks?—A. He is a real estate man.

By Mr. Sharpe:

Q. Is he in the city?—A. Yes.

The CHAIRMAN: You had better get it that way.

By Mr. Carvell:

Q. You do know the glasses well enough to know they were inferior?—A. By all means.

Mr. CARVELL: I wonder if at the next meeting on Monday we could have a pair of those Brown Special glasses brought here?

COLONEL HURDMAN: They are all gone.

Mr. SHARPE: Were those 12 of Brown's put in the Department?

COLONEL HURDMAN: Brown supplied 11.

Mr. CARVELL: This witness makes the very serious statement on oath that they were a very inferior glass.

COLONEL HURDMAN: I will give evidence on that.

By Mr. Carvell:

Q. Do you know anything about a Mr. Bell selling glasses?—A. Well, Mr. Bell was speaking to me about glasses asking me if I could supply glasses. I told him I could. He said he could give an order. I told him I could supply them. He was looking for the order. That was the time Mr. Bell telephoned to meet me in Colonel Hurdman's office.

Q. And did you?—A. I did.

Q. And what took place there?—A. We spoke about glasses with Col. Hurdman, and the Colonel told us he had given this order to Mr. Brown.

Q. This was before the Brown transaction?—A. Yes, and if Brown could not fill the order that he would give it to us. Well, Mr. Bell came to me and about a week or so after asked me if I could supply—he thought he could get an order for a dozen—to see if the glasses were right. I got him a dozen, and he supplied them to the Department, which were the Bausch and Lomb glass.

Q. Genuine article, were they?—A. They were standard Bausch & Lomb.

Q. Is this the invoice?—A. That is the invoice from them.

Q. This is from the Consolidated Optical Company, Montreal, is that the concern which was mentioned here this morning? I understood that Mr. Brown, of the Militia Department, stated that this Company furnished 1,000 glasses; do you know anything about that?—A. That is the company. That is a branch in Toronto; the head office is in Montreal.

Q. This is the firm that furnished the 1,000 glasses?—A. If they got the order, yes.

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Q. What did you pay for those glasses?—A. \$37.50.

Q. Where?—A. Delivered in Ottawa.

Q. Purchased in Canada of course the duty would have been paid on them?—A. Yes.

Q. From your knowledge of the business did that leave a profit for the Consolidated Optical Company?—A. By all means.

Q. Of how much?—A. I would judge 25 to 35 per cent.

Q. You sold those to Mr. Bell?—A. I did.

Q. What did you make out of them?—A. We divided the profit from \$37.50 to \$48.

Q. That would be practically \$5 apiece?—A. \$5 to \$5.50 apiece.

Q. Now you come next to the Birkett business; who first approached you about buying glasses in connection with Birkett's transaction?—A. Mr. Taylor.

Q. When and where?—A. Mr. Taylor came into my office asking me could I supply binocular glasses. I told him I could. He said, "I think I can get an order." I said, "I will be prepared to execute the order"; and Mr. Birkett came in later asking me about what prices we could get the glasses at. I told him an outside figure about \$37.50, but we may be able to get them inside of that. I said I could get them even from Montreal if we could not better that price over in New York.

Q. What kind of glasses were you talking about?—A. Bausch & Lomb.

Q. Altogether Bausch & Lomb glasses?—A. The ones I was talking about.

Q. I want to ask you here in order to have it thoroughly understood, are there other glasses on the market either in the United States or Canada of equal value to Bausch & Lomb?—A. Yes.

Q. What do you say about the Colm?—A. That is Colombe, it is a French glass, or a German glass with a French name, but I am not positive which.

Q. What do you say about that?—A. They are not recognized in the trade as a standard glass.

Q. What do you say about the Stereophus?—A. They are all fairly good glasses, but, of course, what the Department was working on and what I was connected with as a standard which they quoted as Bausch & Lomb, to be up to their standard.

Q. Is the service up to the Bausch & Lomb standard?—A. I would not think so.

Q. I see Birkett bought them at \$21, then he bought another kind at \$17, what do you say to that glass?—A. I would not consider any of them to the same standard as the Bausch & Lomb.

Q. Then there is the Migsfors, also \$17, would that be up to the standard?—A. No.

Q. Then there is the Lema, \$40.80, less 25 and 2, bringing it down to \$30.80?—A. That is the Lemaire glass.

Q. Is that a standard?—A. Yes, about the same as Bausch & Lomb; they are both about the same.

Q. We have in these invoices 14 B. & L., and we have 3 of the Lemaire, then we find a binocular called the Only binocular, of which there were 39 in that lot; what do you say to these?—A. I don't know what glass they are, but the price alone would show they could not be up to the standard.

Q. Except two or three might possibly be; there are 8 at \$30, there are 3 called the Autocras at \$33, would those be up to the standard?—A. I would judge they would be.

Q. Then I find only binoculars again at \$20, \$25, \$24; what do you say to these?—A. Not up to the standard of a B. & L. glass.

Q. Then there is the Zeus, do you know anything about that glass, \$26.14?—A. No, I don't.

The Committee adjourned at 6 p.m., until 11 a.m., on Monday.

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HOUSE OF COMMONS,

ROOM 100,

MONDAY, March 29, 1915.

The Select Standing Committee on Public Accounts met at 11 a.m., Mr. Morphy presiding, in the absence of Mr. Middleboro, the Chairman.

The Committee proceeded to the further consideration of "Sessional Paper numbered 122 of the present session of Parliament and all other papers in relation thereto, being copies of correspondence between the Auditor General and the Department of Militia and other departments of the Government, laid upon the table of the House in respect to expenditures under the War Appropriation Act." referred to them by the House.

The CHAIRMAN: Before going on with the enquiry I desire to read a letter I have received, addressed to the Accountant of the House and forwarded to me. It is as follows:—

QUEBEC, March 26, 1915.

To the Accountant of the
House of Commons, Ottawa.

DEAR SIR,—I have received to-night your summons for Mr. Marquis to appear at the House of Commons before the Committee in charge for studying the question of the "Valcartier Camp", for March 30th. In reply I beg to say that Mr. F. Canac Marquis being absent in San Francisco, it will be impossible for him to be present at the above date mentioned in Ottawa.

Yours truly,

T. MARTIN,
Accountant.

Hon. Mr. REID: I have a letter addressed to me from Toronto from the Goodyear Tire & Rubber Co.

The letter was read by Hon. Mr. Reid being to the effect that they deny the allegation that any of their tires were rejected.

Mr. BILSKY recalled.

By Mr. Carvell:

Q. I think you described the purchasing of glasses from some company in Montreal for Bell, didn't you?—A. I did.

Q. The Consolidated Optical Company, Montreal. Now do you know anything about—I think you also told us about buying glasses for Mr. Brown?—A. I did.

Q. And you saw the articles?—A. I did.

Q. And you saw the invoices?—A. I did.

Q. Now will you give me the beginning of your negotiations with Mr. Birkett and his partner, Mr. Taylor, to buy glasses?—A. Mr. Taylor came to see me and asked me if I could supply any binoculars and I told him I could. The same day or the next day after Mr. Tom Birkett came down to see me and asked me what glasses or what were the prices of the binoculars that I could supply and I told him I could procure a quantity from the Consolidated Optical Company, Montreal; their price was \$37.50.

Q. Was there any special make of glasses?—A. No; at the time no special make, just binoculars. He asked me what other source of supply I could get glasses from, and I told him I could get them from my American agents in New York, binoculars ranging from \$15 to \$30.

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Q. Were there any further conversations?—A. Well the result was he and I made an agreement to buy these glasses.

Q. Then you finally came to an agreement?—A. Mr. Birkett and I were acting together on the glasses and later on, a day or two after he claimed we would have to take two or three in. The first lot of glasses which would amount to about \$16,000 we were to finance ourselves. I told Mr. Birkett he would have to finance it himself if the others came in, whereas the original arrangement was that he and I were to finance it.

Q. You were to assist in the financing under the original proposition?—A. On the original proposition.

Q. You are going a little ahead of the story. On Saturday there was put in evidence an agreement signed by yourself, Mr. Taylor and Mr. Birkett, which I now place in your hand.—A. That was the second agreement.

Q. This is the second agreement, is it?—A. What was the first agreement?—A. What was the first agreement?

Q. Was it reduced to writing?—A. No, it was a verbal agreement between Mr. Birkett and I under which we were to get the glasses ourselves; and finance it ourselves. Later Mr. Birkett came to me with a second agreement, financing it himself for which I was to get \$5 per pair.

Q. Why was he to pay you \$5—A. He had no source from which he could get them

Q. You mean no business connection?—A. No business connection as far as binoculars were concerned.

Q. You professed to have that ability and for that Mr. Birkett was to give \$5 and he was to do the financing?—A. Yes.

Q. Then it was that this partnership agreement or whatever you call it was signed. Will you explain just the circumstances under which this was signed, when and where?—A. Mr. Birkett and Mr. Taylor came to my office on Saturday afternoon about half an hour before train time and asked me if I was prepared to go ahead with glasses and I said, all right, I am ready. He said: I want you to sign this agreement first.

Q. Did he bring this agreement with him?—A. He brought it with him.

Q. Is this a copy of it?—A. This is a triplicate copy. It was in triplicate.

Q. Where are the other copies?—A. Mr. Taylor received one and Mr. Birkett the other.

Q. When the document was brought to you were the words erased which appear erased on that copy?—A. No.

Q. When was the erasure made?—A. It was signed just after the erasure.

Q. Why were these words erased?—A. Mr. Birkett told me he had allowed \$2 per pair to a third or a fourth party which I told him I would not stand for; that I would be prepared to go ahead with him on this side for the glasses when he was ready.

Q. Who did he say was the third or fourth party?—A. He mentioned Colonel Hurdman.

Q. Did he also mention that Colonel Hurdman would be inspecting the goods?—A. He told me the inspection all went through Colonel Hurdman.

Q. You refused and what were the words erased?—A. "\$2 deducted from the price for incidentals."

Q. And further down?—A. "The \$2 to be borne one half by Bilsky and one quarter each by Birkett and Taylor."

Q. After you signed the agreement what did you do?—A. Taylor and I went down to New York.

Q. On the same day?—A. The same afternoon.

Q. Tell me what you did in New York?—A. I introduced him to Mr. Harris' manager, named Mr. Stein; he was the manager for Milton Harris.

Q. While I do not care anything about what hotels you went to or what pleasure resorts you visited tell us what business you did?—A. We got in touch with Mr. Harris

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the next morning and I asked him if he was in a position to fill an order for 400 binoculars. He told me he was. I was with Mr. Taylor in Mr. Harris' office during the day and that night I left for home, leaving Mr. Taylor there.

Q. Was there any limit given Mr. Harris as to the price he should pay?—A. It was said the limit was to be not more than \$25 to \$28.

Q. And what was the limit the other way?—A. From \$15 up.

Q. From \$15 to \$28. Was any kind of glass mentioned?—A. Anything in binoculars.

Q. Anything in binoculars?—A. In binoculars.

Q. Was there any condition about passing inspection?—A. Nothing whatever on the other side.

Q. Any conditions about passing inspection on this side?—A. Nothing over in New York.

Q. Anything about it on this side?—A. Nothing that I know of.

Q. Your proposition to Mr. Harris or Mr. Harris' man was that they were to furnish the binoculars at from \$15 to \$28?—A. Yes.

Q. Did he assure you he could do it?—A. He told me he could.

Q. Did you ever go back to New York again with these people?—A. Not with these people, no.

Q. Mr. Taylor, I think it was, on Saturday said he did not fill this order for 400 glasses because he could not get them. Did you have any knowledge about that?—A. Well, Mr. Harris kept phoning me and wiring me, and he also wrote to me that he had the glasses.

The ACTING CHAIRMAN (Mr. Boyes): What about the letters? If they are here should they not be produced?

WITNESS: I have the documents, Mr. Chairman.

Mr. CARVELL: As you suggested, I will put them in, they bring out what the facts are.

(Documents produced.)

By Mr. Carvell:

Q. Now Mr. Bilsky, do you say that from this correspondence which you have produced here that Mr. Birkett could have gotten the 400 binoculars from the parties to whom you introduced him in New York?—A. Certainly.

Q. Do you also know why he did not get the 400 binoculars?—A. I think it was only a case of price.

Q. And also of money?—A. It may have been money according to the letters referred to.

Q. I want to take this letter. What letter is that? What is the date?—A. October 13, 1914.

Q. From whom?—A. Milton Harris of New York.

Q. That is the Milton Harris to whom you introduced Mr. Taylor?—A. That is the man.

Q. Is that the signature of Milton Harris? (indicating signature to letter)?—A. That is his signature.

Q. You have had business relations with him and know his signature?—A. Yes, for fifteen years I have done business with him.

Mr. CARVELL: I propose to read this: (Reads)

"New York, Oct. 3, 1914.

Mr. S. Bilsky,
Ottawa, Canada.

Dear Mr. Bilsky:—

Mr. Taylor reached my office this morning and asked for the balance that I held of his, amounting to \$1310.33 which was immediately given to him. He seemed somewhat disappointed that the binoculars he ordered from Bausch & Mr. SAMUEL BILSKY.

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Lomb did not get here. He went away promising to return at 2 o'clock, and up to the present writing I have seen no sign of him nor do I know where he is stopping, and he certainly got me in a pretty damn serious predicament.

We have succeeded in getting 24 binoculars that were sent up to the office on which the people expected the cash, and after holding the boys here in expectation that Mr. Taylor would arrive with the cash but he has failed to show up.

Now, I do not know what this all means, and you can see the position it puts me in the eyes of the trade, either they think I am drunk or crazy, and in fact, I think I am partly crazy myself. You fully realize if it had not been for the great esteem I hold you in, I should have never bothered with this proposition. Money is a very nice thing to make, but not at the sacrifice of any man's health. Now what am I to do?

These glasses are all ready and I have some more coming Monday with every possibility that Bausch & Lomb will make a big delivery Monday so I must be prepared with the cash. You realize the seriousness of this situation and you know your people up there, so if I were you I would suggest that you wire the money immediately so that I can pay for this merchandise that comes in Monday. I cannot make these statements too strong and to state that I am mystified at Mr. Taylor's actions expresses it very mildly. I hardly think it justice to me to act in such a peculiar way. For all the time, efforts, and energy, I do not care a continental about. I am used to exerting energy fruitlessly, but I do not like the idea of having a man's reputation hurt, and under the circumstances what do you propose to do with these 24 binoculars which is an exceptionally good purchase for it seems that everybody that has two feet comes from Canada to buy binoculars, so I will be crazy with excitement until I hear from you.

Yours very truly,

MILTON HARRIS.

P.S.—Just imagine the different messengers calling with the merchandise and bills expecting the cash therefor and sitting here for over an hour waiting for the cash and nobody shows up. Isn't that a fine state of affairs? Do you blame me for writing in the tone I do? I look to you, Mr. Bilsky, to right this matter for me, so do not lose a minute and let me hear from you as soon as this letter reaches your hands. You understand that I am not reflecting on anybody's character in any shape or form, but there is something wrong somewhere; in fact, it makes me exceedingly uneasy, possibly something happened to Mr. Taylor. I even telephoned to his sister and asked if she knew where he is stopping and she could not give me any information as to his whereabouts. I waited until 6.15 p.m., and again phoned without any further result. I hope he has not met with any accident, something is seriously wrong, I certainly looked upon him as being a clean cut fellow.

Rush reply very important. All the glasses I get the 24 in question, figure about \$25 each.

Now, was that the limit of \$25? It was within the limit?—A. It was within the limit.

Q. What did you do after getting that letter?—A. I rang up Mr. Birkett, he came down to my office and talked over matters. I says: Now what about Taylor? He says: Taylor will be home today. So he met Mr. Taylor at the train; they came into the office, and Taylor says that he went into the office in the morning and Harris did not have any glasses at the moment. He told him he would come back later. He went out to the ball game and came back home.

Q. Did you get any money from Mr. Birkett?—A. I insisted that upon Mr. Birkett, as these had been sold, should take them off their hands, and Mr. Birkett gave me his

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cheque. I think it was for \$1,300, which I sent to Mr. Harris, and for which Mr. Harris sent him the glasses.

Q. There is also a letter on the 7th October (Producing). Is that also from Milton Harris?—A. Yes.

Q. (Reads)

October 7, 1914.

Mr. S. Bilsky,
Ottawa, Canada

My Dear Mr. Bilsky:—

Every statement that I made to you this afternoon, was simply repeating statements that had been made to me by the Bausch & Lomb people; in fact, only a little while ago I had them on the phone and they are particularly careful so as not to commit themselves in any way. They tell me that they fully realize the predicament that I am in and the general manager of the office has been taking the matter up with the factory explaining the circumstances, so I simply live in hopes of getting some.

I have not heard from Mr. Birkett in answer to my long letter sent to him; I presume I will hear tomorrow morning from him.

If anything is to be done in the matter it must be done immediately if not I will lose all the efforts that I have made, as my people, who have other makes of binoculars, will not hold any more later than tomorrow morning, so I wish you would decide finally as to what is to be done.

They are asking exorbitant prices for the merchandise here, and in fact, the merchandise sent to you, I know in many cases, charges have been exorbitant, but I did all I could to keep within the price limit as specified by Mr. Birkett. No doubt, before this letter reaches you, you will have examined the merchandise sent. There is no doubt in my mind that you will be very much pleased with them.

Regretting the Bausch & Lomb incident, of course, which is no fault of mine, and hoping that we may still be able to work in other directions so as to off-set this inconvenience, I remain,

Very truly yours,

MILTON HARRIS.

P.S.—I certainly will get some from the B.I people, but possibly only a small lot each day.

Now, is this the copy of the letter you sent Harris (producing) on October 8th?—

A. This is the copy of the letter I wrote to Harris.

Q. (Reads)

October

Eight

Nineteen-Fourteen.

Milton Harris, Esq.
Maiden Lane,
New York City.

Dear Sir:—

Enclosed please find draft payable to your order for \$1,300.00 for which I want you to send to T. M. Birkett, Ottawa fifty pairs of binoculars.

This amount I figure will be enough to place this order. Make invoices in triplicate with double column showing American and Canadian prices the same, send these out via. Canadian Express, as we will receive these Saturday morning.

Don't fail to send these out in time to catch express, undoubtedly they will have to leave your office about four o'clock to-morrow without fail. Whatever balance there is will be straightened out later. You did not wire me to-day, as per my letter to you.

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Q. That is the 8th October. That \$1,300 you said would buy 50 pairs glasses. Fifty pairs at \$25 would be \$1,250—A. It refers to the balance which would be to Mr. Birkett's credit.

Q. Yes, I understand. We find here there is an invoice for 50 pairs which is dated the 6th October. That would be the same thing.

Hon. Mr. REID: What price.

Mr. CARVELL: Different prices, 8 at \$20, 1 at \$28, 1 at \$27, 25 at \$25, and 15 at \$24. Evidently that carried out your contract.

Q. Hon. Mr. REID: What is the total amount?

Mr. CARVELL: \$1,200 and then there is a commission of \$120.

Hon. Mr. REID: Paid to Harris \$1,320.

By Mr. Carvell:

Q. Do you know anything about this commission?—A. I had previous talks to Mr. Harris in New York in regard to glasses and I told him there may be a prospect of the sale of glasses and I asked him if he could get them. He said he could. I asked him would he accept ten per cent commission. Birkett was to pay Harris ten per cent on the goods coming through Harris.

Q. When you talked about prices, we should say \$1,320, is the cost of these glasses. Now, there is another letter (producing). Is that an answer to yours?—A. That is an answer to mine of the 8th.

Q. (Reads):

NEW YORK, October 9, 1914.

Mr. S. BILSKY,
Ottawa, Canada.

MY DEAR MR. BILSKY,—Received your check for the \$1,300 to-day. I immediately hastened and succeeded in getting 39 binoculars which have gone forward by American Express. I will make another shipment to-morrow, but I find that it is an exceedingly hard proposition to get any more of the cheaper grades. Other lots can be purchased ranging in price from \$30 up to \$37, so you had better give me positive instructions, as the demand is so great that you would be mystified if you knew the prices that are being paid for same. I know of two pairs of glasses that were sold for \$80 a pair, the regular price of which has been about \$26. In fact, a lot of the cheap ones that were laid aside for me, when I came to pay for same they told me that they were gone, as they got a big advance, so you see that every second counts.

I am unable to give you any positive information regarding the B. and L. glasses on order. I am now waiting for their written statement as to just what they intend to do, as that order was positively accepted (in your presence) over the phone in good faith, and unless I get shipment right along, I will hold them to it. I think we have some legal redress in the matter.

Now, if you want any more than the fifty that you told me to purchase, you will have to send the money immediately with explicit instructions; do not lose any more time.

You will notice after you have seen the bill that these goods average a little more than I expect, but it is the best that I could do under the circumstances; in fact, I am informed that the prices will advance at least another 25 per cent.

Trusting to hear further from you, I remain,

Very truly yours,

Milton Harris.

P.S.—I am also anxious to know as to the Prismatic Compasses.

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Q. Now is this a letter from Milton Harris (producing)?—A. It is.

Q. (Reads):

October 10, 1914.

Dear Mr. Bilsky.—I made another shipment to-day only five, but three was finally sent to me from the B. & L. people, I believe this is a positive committal on their part, as goods was delivered at the old price and more is promised for next week, but positive information will only be sent to me after they get word from their factory. I am insisting on a written reply, but cannot get it, they know they are entirely in the wrong and are very cautious.

If you want any of the better grade makes why don't you act at once, I had fifty-one that I could get to-day ranging from \$30 to \$35 each. I understand there is a Canadian Major here who is paying any price for any kind of binocular, an order was shown to me for 50,000 pairs for the European armies and this is no ghost story.

How about the compasses—

Well, that is another thing. That other refers to compasses as far as I understand. I have next one of the 14th October (producing). Is that from the same people?—A. It is.

Q. When you got your letter of the 10th stating that you could buy some of the higher grade articles did you communicate that to Mr. Birkett?—A. I telephoned to Mr. Birkett the contents of the letters I was receiving.

Q. Did you keep him thoroughly informed as to all this correspondence?—A. I did.

Q. And when you got a letter stating that he could get glasses ranging from \$30 to \$35 did Mr. Birkett know that?—A. He knew the contents of nearly all the letters I received from Mr. Harris.

Q. Was anything done?—A. It was left to Mr. Birkett and Mr. Harris.

Q. (Reads):

Mr. S. Bilsky,

October 14, 1914.

Ottawa, Canada.

My dear Mr. Bilsky.—To say that I am surprised at not having heard from you, expresses it mildly. Under the circumstances, I do not know whether I am going or coming.

I have been working under certain channels whereby binoculars were being held for me and my people have been after me continuously as to whether I propose to take some or not. I do not know now whether these options still hold good. I have written you just as plainly as I knew how and I thought you might at least answer my letters. If the matter is all off, I wish you would say so, as I do not want any connections that I have made to be affected.

The B. & L. people expect to make shipments right along, now do you want me to take them or do you not, and if you want me to take them, I must be prepared with the cash. I wish you would give this serious consideration, so I will know where I am.

If this matter had been handled properly, I could have gotten many hundreds more of the binoculars.

I never heard as to how pleased you were with the purchases so I will await your reply; trusting therein you will tell exactly what you want done and what I am to do. Please do not delay this, as I am very anxious. Upon your reply, I will know whether to cancel the order from the B. & L. people or not, so this matter must be closed.

Trusting to receive a favorable reply, I remain

Very truly yours,

MILTON HARRIS.

P.A.—This letter was dictated before I received yours so now all is changed; as I also heard from Mr. Birkett and asked him to send cash and I could purchase as many as he wants at \$30 to \$35 each and some possibly less.

M. H.

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Q. Now did Mr. Birkett give any orders to purchase for \$30 or \$35 after getting that letter?—A. I have no idea what Mr. Birkett did with Mr. Harris after that. I was only there one day with Mr. Taylor.

Q. But according to that letter he could have got the glasses \$20 to \$35?—A. That is how the letter reads.

Q. Now, here is another letter of October 15th, is that Mr. Harris' signature?—A. It is.

Q. I will read it. (Reads)

NEW YORK, October 15, 1914.

Mr. S. BILSKY,
Ottawa, Canada.

My dear Mr. BILSKY:

From the letters that I received from you and also from Mr. Birkett, I was under the impression that immediate action was to take place. Now an entire day has gone by and I have not heard from you at all. This simply proves that the matter is not working consistently. Immediately upon receipt of the letters of yesterday, I again got active and was to close a number of transactions to-day, but could not do it owing to the fact of not having any money. I also expect some merchandise from the B. & L. people and wish this matter could be determined. The only thing necessary to do is that the money and your positive specific instructions be sent to me immediately. When I mention prices being from \$30 to \$35 on the better grades I do not mean to imply that I intend to give anybody \$30 for an article only worth \$20 but I will do my best under the circumstances; same as on previous shipments. Why not mention final dates for shipments and send on a few thousand dollars and I will ship you enough binoculars to cover any amount you sent.

I hope I made myself as clear as possible, and that you will give immediate action on the matter by taking it up with Mr. Birkett. I make this mention as there is no necessity of writing him; also, as I want everything to come through you."

There is nothing more in that letter except Searchlights. Now according to that letter of the 15th of October you were able to get any quantity of glasses if you only sent the cash?—A. That is how the letter reads.

Q. If you take the Harris' price, the figures there, that would be \$35?—A. According to these letters.

Q. There was any quantity of glasses to be obtained at \$35? What would be the duty on \$35?—A. It is 25 per cent.

Hon. Mr. REID: Are you sure it is 25 or is it 30 per cent?—A. 25 per cent.

By Mr. Carvell:

Q. That would be \$43.75?—A. Yes.

Q. He could have gotten, according to that correspondence, all the glasses he wanted at \$43.75, laid down in Canada?

Hon. Mr. REID: There would be the express charges also.

Mr. CARVELL: Well, say \$44.

Hon. Mr. REID: Was there not 10 per cent in addition to that?

Mr. CARVELL: I suppose there would be 10 per cent commission to add which would bring the amount up to \$48.

By Mr. Carvell:

Q. According to that letter Mr. Birkett could have got all the glasses he wanted at \$48 laid down here in Ottawa?—A. According to that letter, yes.

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Q. And he was getting from the Government how much?—A. Mr. Birkett says \$52.

Q. And Mr. Birkett would not accept that. Did Mr. Birkett know the contents of all these letters?—A. He knew the contents of almost all of them. There might be one that came when I wasn't in town and that would be waiting for my return, but I was constantly in touch with Mr. Birkett from time to time.

Q. Here is another letter, this is also Mr. Harris signature, is it?—A. It is.

Q. I will read it. (Reads):—

“NEW YORK, October 16, 1914.

Mr. S. BILSKY,
Ottawa, Canada,

MY DEAR MR. BILSKY,—I cannot refrain from thanking you for your thorough honesty and elegant business qualities. While the amount in question is only small it makes me feel that there are some men still alive who deserve that name. I thoroughly appreciate such actions and if at any time I can reciprocate, you can rest assured that I will do so.

By the way, what has become of the binocular matter. Here I am on pins and needles, where I could make shipments of at least twenty-five each and every day, and I have not received a reply from my telegram or letter to Mr. Birkett, nor from you regarding the matter. Wont you please put my mind at ease in regard to this, by giving me a definite answer.

Trusting you will comply with my request, I remain,

Very truly yours,

(Sgd.) MILTON HARRIS.”

Mr. Bilsky here are invoices of the goods purchased by Mr. Birkett for 46 binoculars—what are the dates of those invoices? (Invoices handed to witness)—A. December 4th, December 9th and December 12th.

Q. After receiving the letter of 16th October upon which he could get any quantity he wanted at the price mentioned, that is not exceeding \$35. Mr. Birkett afterwards away down in December sold 46 glasses at prices ranging from \$25 to \$31 to the Government.

Hon. Mr. REID: At what price did Mr. Birkett sell them to the Government?
Mr. CARVELL: \$52.

Hon. Mr. REID: Some he sold at \$48 and some at \$52. If I remember he sold 110 at \$52 and the remainder at \$48.

Mr. CARVELL: It does not make any difference, it is only a matter of \$4.00, we will put it at \$48, it does not make any difference although I have no recollection of such evidence.

Q. Now, I want you to take the next letter; what date is it?—A. November 2nd, 1914.

Q. This letter is dated 2nd November, 1914, to Mr. S. Bilsky, Ottawa (reads):—

NEW YORK, Nov. 2, 1914.

Mr. S. BILSKY,
Ottawa, Canada.

My dear Mr. BILSKY,—

I received your letter, and was glad to hear that you arrived home safe after your great hunt in the wilds. I feel somewhat envious of you that you did not extend an invite to me, but nevertheless leave it go at that. If there were ever a conundrum in front of me, it is the binocular proposition. I have a party reserving sixty pieces and they are perfectly willing to hold same for me almost for an indefinite period, but in order to show some good faith, they exact of me

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a binder of about \$200. So if you feel that there is absolutely no "If" in this proposition, why not let me have that money to close the deal. In fact, I will go a step further with you; you send me a hundred, and I will take a chance on the other hundred. That's fair, don't you think so? But it must be done immediately. I am almost ashamed of myself to be keeping a man off from day to day and hour to hour, and if you lose this, you will find that you will not get an opportunity like it again, so I trust you will enter into the proposition and let me rest in peace for a little while longer until you get your contract. I think this will prove to you that I am a pretty game soldier, and I know that you are, so will therefore expect letter enclosing check in question by return mail.

I laugh every time I see the B. & L. name. You ask me if I got the binoculars. I have to have the cash in my possession to pay for them. I have not been persistent enough in the matter to demand that they make shipment, because I do not know whether I am going or coming, but if I was absolutely assured and had the cash when they ship, I would insist that same be shipped and I would positively take same, but this way I am too much at sea.

Trusting you see the grave importance of an immediate reply, I remain

Very respectfully,

(Sgd.) MILTON HARRIS.

P.S.—Total shipped 120 pieces to date.

Now the next letter is on November 10, 1914, as follows: (Reads.)

NEW YORK, November 10, 1914.

Mr. S. BILSKY,
Ottawa, Canada.

My dear Mr. BILSKY,—Received your telegram and was glad to see that the binocular deal is waking up again, but I am somewhat surprised that you do not approve of my proposition so as to have a binder on those that I can procure. If you can get immediate action, I am in a position to get a few hundred pieces, and I can safely state that after these are gone, it will be impossible for me or anybody else to get a single piece. There is not one of the factories whether American or European manufacturers that will commit themselves to any quantity on an order of a thousand pieces, so that you can take it from me that it will be absolutely impossible to procure that quantity. You might inform your people to that effect, so I would advise that you let me get those that I have now got my hands on without further delay, if not we will even get left on those. In fact, whatever money you send, I will expend on binoculars, same as I have done on previous transactions. Prices will be from \$22 up to the limit that you mention.

Up to what limit? That would be from \$22 to \$28 would it?—A. Yes.

Q. (Reads):

Trusting your reply will be definite and that you will send the money,

I remain, yours respectfully,

MILTON HARRIS.

That is on November 10, when he says "If you can get immediate action. I am in a position to get a few hundred pieces" at from \$22 to \$28? Did Mr. Birkett know that?—A. He knew all those letters.

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By the Chairman:

Q. You said a little while ago that you were not sure that he did have them?—A. All those here, he had through conversation or personal mention. I was in touch with Mr. Birkett every day over the phone.

By Mr. Carvell:

Q. Here is a telegram that I should have put in earlier. (Producing.) Is that from Harris?—A. Yes.

Q. (Reads):

NEW YORK, 24th October, 1914.

M. BILSKY & SONS,
Ottawa, Ont.

Can ship to-day forty Lefils eight power twenty-two dollars including commission wire money.

MILTON HARRIS.

What kind of glasses were they?—A. Those, an odd make of a binocular.

Q. Is it up to the standard of an eight power Bausch & Lomb?—A. No, I would not consider it would be.

Q. Would it be up to the standard of some of the glasses that were mentioned in these invoices as Stereophos and Megaphos?—A. Undoubtedly, it would be up to the same standard of other glasses purchased.

Q. Anyway, there were forty could have been obtained at \$22?—Were they purchased?—A. Not that I know of.

Q. Here is a letter where he offers on January 19 (producing). Is this also from Harris?—A. It is.

Q. (Reads):—

JANUARY 19, 1915.

Mr. S. BILSKY,
Ottawa, Canada.

DEAR SIR:—Enclosed please find the oath you requested to have made out. You will do me a personal favour if you will see that this matter is brought to a close, as Mr. Inman has been pestering the life out of me and time again, and I want to get it off my mind, and trust you will give it your personal attention.

I have been anxiously expecting to see you most any day, as you wrote me last year that you expected to have some matters of extreme interest after the first. Now, if there is anything that you want done, I wish you would let me know, as I do not see any reason why we cannot make some money together.

By Mr. Sharpe (Ont.):

Q. What does he mean by "make some money together"?

Mr. CARVELL: Let us read the letter first. (Reads):

By the way, I have some LeMaire binoculars here, eight power twenty-five millimeter that I would like to get rid of.

Trusting that you will give this immediate attention and feeling that you will, I therefore thank you in advance.

Yours very truly,

MILTON HARRIS.

By Mr. Carvell:

Q. Now, Mr. Bilsky, I suppose you do not disclaim the hope of making some money out of this transaction?—A. I hope not.

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Q. Mr. Bilsky, you wanted to do this business, didn't you?—A. It was a matter of regular business with me to do it.

Q. And you would like to have done it and made money out of it?—A. Undoubtedly.

Q. How soon did you get into communication with the proper authorities to attempt to do business and make money out of it?—A. I think it was in the early part of September. (After consulting letter.) It would be the latter part of August.

Q. What did you do?—A. I seen Colonel Hurdman in regard to glasses.

Q. Tell just what took place?—A. I told him I could supply Bausch & Lomb glasses. Colonel Hurdman told me there was an order out for 100 pair of glasses.

Q. And what did you do?—A. I seen Colonel Hurdman, and the Colonel told me there was an order for 100 pair of glasses, and if that order could not be filled he would get in touch with me for the glasses.

Q. Did he get in touch with you?—A. Never did.

Q. Did he tell you who to get in touch with?—A. No.

Q. Did he tell you anything about Ellis & Co.?—A. I am not positive he did.

Q. Did you hear from any source that Ellis & Co. had something to do with purchasing these binoculars?—A. I did.

Q. And do you know from what source?—A. From Mr. Bell.

Q. Well, did you have any correspondence or business relations with Mr. Ellis or any of his officials?—A. We had been doing business with Ellis for twenty years or more. I wrote Mr. Ellis; I telephoned to Mr. Mason; I also wired to the firm of Ellis.

Q. Is this a letter you wrote to Mr. Ellis (producing)?—A. That is an answer to a wire that I wired Ellis.

Q. You write Mr. Ellis first, and then you wired him? And have you got a copy of the letter you wrote him?—A. I have not.

Q. Anyway, this is his answer?—A. That is the answer I received.

Q. The answer to the wire?—A. I will read this: (Reads)

TORONTO, September 7, 1914.

MR. M. BILSKY,
Ottawa, Ont.

DEAR SIR,—We beg to acknowledge receipt of your telegram as follows:—
“We are informed you require quantity of Lemair and Bauschlomb binoculars to complete order for militia if so kindly advise answer.”

We may say that we wrote you on August 28, that we understood you had two or three of these glasses, and that we would like you to send all you had to the Militia Inspection Department, charging same to the Department of Militia and Defence.

However, might say that we have been almost successful in getting the number of glasses required from different sources throughout the country, but will not know until they are inspected by the Militia Inspection Department, if they are satisfactory, or if there will be more needed. We expect to know in a day or two, and will advise you then.

Thanking you for your kind attention to this matter, we remain,

Yours respectfully,

P. W. ELLIS & CO., LTD.

That was on the 7th September they wrote you that they had practically placed all the orders. When was it that they had agreed to give Mr. Birkett an order for 400 of these glasses?—A. It would be about the latter part of September.

Q. So that evidently, when Mr. Ellis wrote you on the 7th September as follows: “However, might say that we have been almost successful in getting the number of glasses required from different sources throughout the country,” they had not been successful to the extent of 400?—A. I have no idea.

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Q. You do know that Mr. Birkett, a hardware merchant in Ottawa, got an order for 400 at that time?—A. Mr. Birkett told me so.

Q. Did you take any other steps other than what you have described to do business with the Government. You have described trying Ellis; you then tried Colonel Hurdman; you sent a Mr. Bell there; you sent a Mr. Browne there?—A. I did not send Mr. Browne.

Q. Did you have anything to do with Browne going there?—A. No, Mr. Bell was acting as my agent for these binoculars.

Q. Did you take any other steps with Mr. Ellis, or any of his officials, in order to sell binoculars to the Government?—A. I took it up with one of their travellers, I took it up with Mr. Mason.

Q. Who was their traveller?—A. Mr. Percy.

Q. What proposition did you make to him?—A. I was just talking over the binocular question, and I showed him Mason's letter, and he could not understand it, and he took it up direct with Mr. Mason. There were no results.

Q. Did you ever go to Mason?—A. Never did.

Q. Was Mason here in Ottawa?—A. I believe the Chateau Laurier register will show he has been here for weeks, a few days every week.

Q. When you failed to sell Ellis or the Government, then did you write a letter to the Government?—A. I did.

Q. Now, is this a copy of it?—A. It is.

Mr. CARVELL: It is not necessary for me to put it in. It is a copy of a letter Mr. H. W. Brown produced. I will read it through. (Letter read.)

Hon. Mr. REID: What date is it?

Mr. CARVELL: October 28, 1914.

By Mr. Carvell:

Q. That price would be duty paid?—A. Delivered to the department

Q. At \$45. Now at the time you made that offer were you in a position to have carried out the contract if you had received it?—A. I was.

Mr. SHARPE (Ont.): For how many?

Mr. CARVELL: A thousand at \$45 a pair.

Mr. SHARPE (Ont.): How could he have delivered them?

Mr. CARVELL: He could have done it.

By Mr. Carvell:

Q. Did you have anything to do with the offer—I think there was an offer made to the department by somebody at \$42?—A. Yes.

Q. Who made that offer?—A. Mr. Sinclair, I believe.

Q. And he made it with your knowledge and consent?—A. He did.

Q. And were you to supply the glasses if that offer had been accepted?—A. Yes

Q. Could you have supplied these glasses, a thousand pairs, at \$42?—A. I believe I could.

By Mr. Hughes (Kings, P.E.I.):

Q. Were these standard glasses?—A. To a standard? No, they were of all kinds of binoculars the same as the department were receiving, not of any particular make

By Mr. Sharpe (Ont.):

Q. Where were you getting this thousand?—A. From my different agents, from firms we have been dealing with for years.

Q. Tell us the names?—A. There were certain firms—I would not like to say.

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Q. Let us have the names of the firms. Tell us, Mr. Bilsky, where you would supply this order. Had you a definite contract with any firm?—A. No, but I had been in touch with several firms.

Q. Had you any conversation saying they could supply you?—A. Yes.

Q. Will you produce that correspondence?—A. I thought you said conversation I may have had offers from travellers.

Q. Were they here in Ottawa? Were they at the time you had this conversation?—A. One of the representatives might have been here.

Q. Were they here?—A. Most of the conversations were right in New York with them.

Q. I thought you said there were several of the representatives here in Ottawa?—A. They go through an order on the travellers.

Q. Were they here in Ottawa?—A. One of them might have been.

Q. Did you as a matter of fact know whether he was or not?—A. I met them in Ottawa and in New York. I may have had the conversation in New York.

Q. How many different firms were there?—A. I had in view ten or twelve. I would not like to mention names because they are dealing at present with binoculars.

Mr. SHARPE (Ont.): In order to verify this witness I think he should answer.

The WITNESS: There is one firm of Bayer & Pitzfelder.

Q. How many did they agree to supply?—A. I told them I figured I could get an order for two or three hundred pairs and they said they would look after me.

Q. After you went with Mr. Taylor?—A. It may have been before that.

Q. Surely you can recollect whether you interviewed other firms behind Taylor's back? How long before you got the manufacturers' prices?—A. About three weeks before.

Q. Where you with them?—A. I was there myself several times and have been going down to New York quite often.

Q. I mean in connection with this particular order?—A. I was there alone, and—

By Mr. Bennett (Simcoe):

Q. You were going to say you were there with who else?—A. I was there a couple of times with Mr. Browne.

Q. Who was he?—A. He was the man who had an order from the Department for 100 glasses.

By Mr. Sharp (Ontario):

Q. Which Browne?—A. Mr. W. J. Browne.

Q. Who is he?—A. I know he is a real estate man.

Q. What was the man of the firm, did you any?—A. Sussfend & Lorsch.

Q. Some firm you were purchasing from? How many did you agree to sell to the Government?—A. I had no order myself; I could not make any contract with them.

Q. Why did you make the statement that you could supply a thousand?—A. They informed me they could deliver any quantity I could take.

Q. Which firms told you that?—A. These different firms I have mentioned.

Q. You have only mentioned one firm who offered to supply you with 100 or 200?—A. There was Sussfend & Lorsch, and I told him I was in a position to get an order for 100 or 200 glasses, he said: "We will look after you."

Q. And who else?—A. In the early part of September I figured I could get all I required from the Consolidated Optical Co. of Montreal.

Q. How many would they agree to supply?—A. Whatever order I put in.

Q. As many as you wanted?—A. At that time— Yes.

Q. At what time, was that?—A. Around the 7th to the 10th September.

Q. Did not Mr. Birkett tell you to get as many of these as you could get and you could not get any?—A. Mr. Birkett did not tell me anything of the sort.

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Q. You had an agreement with Mr. Birkett to supply 400 glasses at a profit of \$5?—A. I left Mr. Taylor in New York—I did not go back while Mr. Taylor was there.

Q. And there was \$1,300 on deposit with this particular firm to supply them, but they could not supply them?—A. That is not right, as far as I know

Q. That is all the authority you have for making the statement that you could supply the Government with 1,000 glasses is the indefinite conversations. There is nothing definite from these firms?—A. These were positive offers from the firms; all these firms I have mentioned are the biggest optical firms in America.

Q. Did you buy from those firms?—A. No.

Q. Why did you not buy the balance of the 400 glasses from them?—A. It was Mr. Birkett's order, not mine, I have no agreement with the Department.

Q. You had an agreement with Birkett for 400 glasses?—A. It was for Birkett to arrange matters, yes.

Q. You were the man to supply these glasses?—A. No, I introduced Mr. Birkett to one of my agents in New York.

Q. When that firm did not supply the 400 glasses you did not introduce him to another?—A. I did not know he wanted them, I did not know Mr. Birkett had a definite order for 400. Mr. Birkett swore here he had no written order for 400, only a verbal order.

By Mr. Carvell:

Q. Was not the trouble that Mr. Birkett had no money?—A. If he would supply the money he could get them, in the early part of the game, the money was there before Mr. Harris could get the glasses, Mr. Taylor went there and took away the money, but after that he could have supplied the glasses I wanted.

Q. Was there not another trouble that Mr. Birkett would not pay a certain price?—A. Mr. Birkett wanted to lay them down at a certain price, yes.

Q. Well now, did you make any other attempts to secure the glasses other than what you have described?—A. I did not.

Q. I suppose it is safe to say that none of your offers were accepted?—A. They were not.

Q. And you would have delivered a thousand pairs of glasses to the Department at \$42 for which they paid \$48 to \$52?—A. That is to the best of my belief, I believe I could.

By the Chairman:

Q. You say that you did not know that Mr. Birkett had an order to supply 400 pairs?—A. Mr. Birkett told me he had and he asked me if I could get them, I believe he did say that he had an order.

Q. You signed an agreement which said he had. Did you not take that agreement to mean that somebody had an order for 400?—A. By all means.

Q. Who was that somebody?—A. I suppose it was Mr. Birkett.

Q. Why do you say that you did not know Mr. Birkett had an order for 400 glasses?—A. If he told me he had an order I believe he had.

Q. That is your signature, isn't it. (Indicating agreement)—A. By all means.

Q. Who struck out the \$2.00 here?—A. I did.

Q. It is struck out in the same ink as that with which you signed your signature and in a different ink to what the others used?—A. I do not know.

Q. Will you look at it?—A. The chances are it is.

Q. Is there any difference in the ink you used to affix your signature and that used to strike these figures out, I mean?—A. The ink? The chances are I did.

Q. Is there any difference in the colour?—A. Is there any difference? There seems to be.

Q. Take the other signatures, they are in different ink?—A. In different ink.

Q. And the striking out seems to have been done with the same ink as your signature?—A. It seems to be the same.

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Q. You say that Mr. Sinclair, that is the gentleman who gave evidence here, was working with you?—A. Well, he was working for me in this glass matter.

Q. And he put in an offer for two glasses at \$42?—A. At \$42. I think it was \$42.

Q. And you put in an offer at \$45?—A. Well, my offer was previous to this.

Q. I do not care whether it was previous or afterwards. Did you know that he was putting in an offer at \$42?—A. At \$42.

Q. And did he know you were putting in an offer at \$45?—A. I told him, I think.

Q. Were they for the same glasses?—A. The same glasses.

Q. What was the idea of both you and Sinclair putting in different offers to the same party, namely the Militia Department, for the same glasses at different prices?—

A. They were at different dates; my offer, I think, was made previous to Mr. Sinclair's offer.

Q. You mean to say that the prices came back some?—A. No, I figured that I could put in some of the cheaper glasses, getting them at a lower price.

Q. But your price was higher than Sinclair's?—A. But my price was in a month previous to his.

Q. You knew that Sinclair had put in a price at \$42, and you knew where the glasses could be located?—A. I knew all the time what they could be located at.

Q. Didn't you and Sinclair put your heads together so that if one did not get the business the other might?—A. My offer went in, I think, three or four weeks previous to Sinclair's offer.

Q. And his was the bigger offer?—A. No, it was not the bigger.

Q. I thought that your price was the smaller, that the prices were advancing when you put yours in?—A. No, the price was the same.

Q. How do you explain the two offers, Sinclair's at \$42 and yours at \$45?—A. I knew at the time that the Department, or Mr. Mason was giving out orders at \$48, and I put in a price under that, thinking that in a legitimate way of business I could get that order, because it was a lower price than what Mr. Mason was paying for the glasses.

By Mr. Sharpe (Ontario):

Q. You stated that by reason of conversation with various parties in New York that you could supply 1,000 glasses to the Department at \$45?—A. About \$45.

Q. And at the same time you had a written agreement, signed by yourself, with Mr. Taylor and Mr. Birkett, to supply 400 glasses and you had only supplied 166 of that order?—A. At the time I did not know how many Mr. Birkett was supplying.

Q. Here is a written agreement, signed by yourself, saying "We the undersigned agree to supply 400 field glasses to the Militia Department"; you signed that agreement, now you had an order for 400 glasses from the Militia Department.

Mr. GERMAN: He hadn't any order from the Militia Department.

By Mr. Sharpe (Ontario):

Q. You signed that document?—A. Yes.

Q. You knew perfectly well that you could supply 400 under the terms of that agreement with the Department?—A. No, they were to be supplied by Mr. Birkett.

Q. You say you signed an agreement to supply 400 to the Militia Department?—A. I know, but Mr. Birkett brought me that agreement in triplicate and it read all right outside the lines I scored out, because I knew there was nothing to it.

Q. You knew that if you procured 400 glasses you could sell them to the Department?—A. Mr. Birkett was to sell them to the Department, not me.

Q. And yet, after you could not supply these glasses at those prices you wrote on the 28th of October offering 1,000 glasses to the Department, knowing you could not supply them?—A. At the same price.

Q. Is not that simply for the purpose of putting the Department in wrong?—A. No, it is not.

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Q. Is that a spectacular offer put in by you without any intention of filling it, for the purpose of injuring the Government?—A. That is not right.

Q. You knew you could not buy those glasses?—A. I knew I could, I believe it anyway.

By Mr. Boys:

Q. When you signed this agreement of the 26th of September, what did you sign it for?—A. Mr. Birkett came with Mr. Taylor, they came to my office, about half an hour before train time and Mr. Birkett said, "Mr. Bilsky are you prepared to go to New York to get these glasses," and I said, "I am."

Q. Now when you signed this agreement was it not for the purpose of supplying the glasses?—A. I think it was for the purpose of seeing how much money I was getting for the glasses.

Q. Was it not for the purpose of supplying the Government?—A. I was not to supply Mr. Birkett with any glasses.

Q. Was not this agreement signed by you and the other two with the intention of supplying the glasses?—A. It was signed with the intention of myself to introduce Mr. Birkett's man to my agent and to show where my commission would come in.

Q. That is not an answer to my question; was it signed with the intention of supplying glasses to the Department?—A. If the agreement reads that way undoubtedly it was.

Q. Was not that the intention?—A. That was the intention.

Q. You all signed it, you being one, agreeing to supply for the use of the Department; you knew what you were signing when you signed it?—A. Yes.

Q. That was what the intention was?—A. That was the intention.

Q. If you could get them, why didn't you supply them?—A. The whole question was the price of the glasses that was being paid over, in the United States.

Q. Birkett had a contract which you knew of at that time at \$52?—A. He told me so.

Q. The agreement you say correctly expresses the intention on the part of the three of you to supply them. He told you he could get \$52. Why didn't you get the glasses and fill the order?—A. He was the man supplying the money.

Q. Why didn't you—

Mr. CARVELL: You won't let the witness finish his answer.

By Mr. Boys:

Q. I will ask the question again if I can recall it. I think we reached this point that you and the other two had signed an agreement for the purpose of supplying 400 glasses to the Department of Militia, and you admit the agreement correctly expresses your intention. You have told us that was a contract for 400 glasses at \$52, and I asked you why you and Birkett and the third party did not fill the order?—A. Mr. Birkett would not pay the prices, what they were asking for them in New York.

Q. What prices were they asking?—A. The Standard glasses would cost around \$30, about thirty odd dollars, \$33 or \$35.

Q. Tell me the name of any firm that wanted that price that was communicated to you and refused by Birkett?—A. Sure, Mr. Harris.

Q. Harris. You say Harris is one?—A. He was the only man that I left Mr. Taylor with.

Q. You have already told us that Harris agreed to furnish them all the way from \$25 to \$28?—A. That is right. Mr. Harris still could supply that order if Mr. Birkett wanted to pay around \$30 or \$35.

Q. You told us Harris only wanted a maximum price of \$28?—A. That was below the standard grade.

Mr. CARVELL: Mr. Harris says: "If you will let me go above that limit I will furnish the glasses."

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By Mr. Boys:

Q. All right. You say Harris wanted \$30?—A. On certain glasses.

Q. And you say that Birkett would not pay that?—A. According to that, I left Mr. Taylor in Mr. Harris's office.

Q. Listen to me. You say Birkett refused to pay it, that was when, and where?—A. Because Mr. Birkett was never with me.

Q. You have made the statement that the reason that order of 400 glasses was not filled was because Birkett would not pay the price, and the price was \$30. When and where was it that Birkett refused to pay \$30 to your knowledge?—A. Mr. Harris told me in his office.

Q. That is hearsay again?—A. I have no other knowledge, because I was never with them after that date.

Q. That is your only answer to the non-fulfilment of that order of 400 glasses?—A. It is.

Q. Who was Browne? Is he a real estate man?—A. I believe he is.

Q. Do you know him?—A. I do.

Q. As a real estate man?—A. I have never done business with him.

Q. Did you go to New York with him?—A. I did.

Q. For what purpose?—A. Buying binoculars.

Q. Although he is a real estate man. He had an order?—A. So he told me.

Q. Did you believe him?—A. I did.

Q. For how many?—A. 100 pairs.

Q. At what time was it you made that trip to New York with Brown?—A. I judge this latter part of August.

Q. Was the order filled?—A. It was not.

Q. Why not? All kinds of glasses, orders for them, but for some reason not filled?—A. Mr. Browne was introduced to me—

Q. I do not care about being introduced to him?—A. You asked me why. I did not know that Mr. Browne was interested in binoculars until I met him at the station.

Mr. Bennett (Simcoe):

Q. Where?—A. The Central Station. There was a Mr. Trad-Burks came down to me on Sunday, a week before and asked me, could I supply binoculars. I told him I could.

By Mr. Boys:

Q. Answer the question?—A. I told him I could. Mr. Trad-Burks got the samples for me of binoculars, some that were submitted to Mr. Browne, and undoubtedly on these samples he got the order. Mr. Trad-Burks says: I can get an order for glasses, what can you get them at.

Mr. BOYS: I suppose, Mr. Carvell you will agree that is a very long answer.

Mr. CARVELL: I want to insist that this witness have the right to go on. Go on, please.

The WITNESS: Mr. Trad-Burks came to me saying he could get an order for 100 pairs, and asked me what I could get them at. I told him that we could lay them down for \$37.50, or \$40, outside price. He said: Whatever the profits are, we will divide these profits. I said, all right. He telephoned me Monday about noon, at one o'clock, he was ready for New York. I met him at the station. He introduced me to Mr. Browne. We went to New York. Next morning in New York, Trad-Burks said: Bilsky, we have to divide these glasses in four. I said, you had better go and look for the glasses. That is the reason undoubtedly that Browne got no glasses.

By Mr. Boys:

Q. Now, you say, you could have supplied a thousand?—A. When I wrote to the department I was informed from different gents that I could supply a thousand.

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Q. You mentioned two, I think, and you placed the highest number they could supply at 200 each, that was 400. Let me correct you. Something more may develop: 1,000 glasses at \$45 would require \$45,000 to handle them. Were you in a position to finance a deal of that amount?—A. If I got the order, yes, absolutely; can at the present moment.

Q. You do not mean to suggest you had the necessary change?—A. I never carry that much. I can finance it.

Q. Did you suggest that you had——

Mr. CARVELL: You are up the wrong tree.

The WITNESS: If you will kindly inform me what you want to get at, I will try to answer you.

By Mr. Boys:

Q. You understand. Will you tell me, if you can finance forty thousand odd dollars, how Harris would not even trust you for \$1,300?—A. He was dealing with Birkett.

Q. He would not send the glasses along?—A. Absolutely not.

Q. Were you in a position to finance a hundred pair?—A. Yes, sir, a thousand pair, if I got the order, I could finance it with cash at any time, absolutely.

Q. Did you tell Birkett you could?—A. That was not my order, that was Birkett's order.

Q. You were a party to it?—A. That was Birkett's order. You asked me if I had an order, could I finance it.

Q. Is there or is there not an unsatisfied judgment against you?—A. With Colonel Mackie and other men? There may be.

Q. Is there or not an unsatisfied judgment against you?—A. I do not know if there is or not at the moment.

Q. Did you pay it off?—A. If you were trying to go into personal matters through the local member here, why it is all right.

Q. I am not trying to go into personal matters——A. That is personal matters, through Mr. Fripp. Mr. Fripp should ask these questions himself.

Mr. KYRE: Would it not have been a good thing for the Department to get even 400 glasses at \$45 instead of paying \$52?

By Mr. Boys:

Q. Do I understand you to state you do not know now whether or not there is an unsatisfied judgment against you?—A. With others—just a minute, what has that to do with binoculars? Ask Mr. Fripp.

Q. Do you refuse to answer?—A. Ask Mr. Fripp. You got that information from him, ask him again.

Q. That is the only way we can get it?

By Mr. Sharpe (Ontario):

Q. Did you go to the bank with Mr. Birkett and try to raise the money, and they refused you?—A. The bank asked me was I dealing in this myself. I says, no. They mentioned Mr. Birkett's name. Mr. Birkett told me that he could not finance it himself, he could not get the money for it, so I thought between the two we might be able to. Mr. Birkett saw the bank manager, and he told him what he wanted. Then I saw the manager. He asked: Is this on your own account? I said no, I said it is for Tom Birkett. He says: We cannot arrange it.

Q. Did you offer to go on a note?—A. It is not true.

Q. Did the bank refuse to let you have the money?—A. It is not true.

Q. What did you go to the bank for then?—A. To help Mr. Birkett to finance it.

Q. You could not help him?—A. To finance it, no.

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Q. Yet you could get \$40,000?—A. I can get \$40,000 at any time for any business I require.

By Mr. Rhodes:

Q. Is there a firm or corporation, Bilsky and Co.?—A. Bilsky and Son, Ltd.

Q. It is a joint stock company?—A. It is.

Q. What is the capitalization?—A. \$40,000.

Q. Are you a shareholder?—A. I am.

Q. How many shares do you own?—A. Well, there is 5—this stock stands in the name of my father, M. Bilsky. I have one share.

Q. Do you own it?—A. I think I do.

Q. Did you pay for it?—A. I believe I did.

Q. You believed you did. Will you say that you did?—A. This was incorporated eight or ten years ago.

Q. I am not asking you that, I am asking you if you paid for the one share that you own?—A. I do not think I did.

Q. Was this agreement—I am speaking now of the agreement signed by you, Taylor and Birkett—an agreement between Bilsky & Son, Ltd., and Taylor and Birkett, or yourself personally?—A. Myself personally.

Q. This was on the side?—A. As you may call it.

Q. The company was not interested?—A. Absolutely not.

Q. You said that one reason why Mr. Birkett could not buy these goods from the parties you introduced him to was that he would not pay the price. Was there any other reason—that he did not furnish the money?—A. Absolutely, Mr. Harris telephoned me over the Long Distance to get Mr. Birkett to wire him the money, I telephoned Mr. Birkett and that was the last I heard of it.

Q. Now, did you have any contract with the Department to furnish glasses?—A. I never did, I could not get one.

Q. Why couldn't you get one?—A. I do not know what the reasons were.

Q. Who did you apply to?—A. To P. W. Ellis, Colonel Hurdman, and Mr. Brown.

By Mr. Sharpe (Ontario):

Q. Why didn't you go to the Director of Contracts?—A. I went over, and I wrote him a letter which he has on file.

By Mr. Carvell:

Q. In this agreement dated the 26th of September you say, "We, the undersigned agree to supply 400 field glasses to the Militia Department." At that time had you any contract with the Department?—A. I never did.

Q. Did Mr. Birkett tell you that he had?—A. He did.

Q. Now this next paragraph says, "Profits to be divided as follows: \$2,000 to S. Bilsky, the balance in equal parts to Thomas Birkett and Alexander Taylor"?—A. Yes.

Q. On that basis you were to get \$5, that is if you sold 400 glasses, per pair of glasses?—A. Yes.

Q. Now was not the whole trouble that Mr. Birkett wanted to buy the glasses cheaply enough that he and Mr. Taylor could make \$5 a piece?—A. They were making their share according to that agreement.

Q. Is not that the whole trouble?—A. Absolutely.

Q. They got them at \$32.50 to which duty has to be added, and did they sell 118 at \$52 and the rest at \$48, which gives them a difference of \$10 a glass, which they made on the transaction after paying all expenses.

Question objected to.

Mr. SAMUEL BILSKY.

By Mr. Nickle:

Q. That purports to be a partnership agreement on that yellow paper?—A. It is an agreement that was handed to me a few minutes before train time.

Q. And by the terms of that agreement you, Mr. Taylor and Mr. Birkett were to supply 400 pairs of binoculars to the Department?—A. I understand so.

Q. At the prices of that agreement?—A. That is not an agreement with the Department.

Q. I am not saying that it is, but by the terms of it you three entered into what may be termed a partnership agreement to supply 400 pairs of binoculars to the Department, and under that agreement you were to get \$2,000, as your share of the profit?—A. If they were all delivered.

Q. By the terms of the agreement?—A. Yes.

Q. Now, as I understand you, this was not the true terms of the agreement at all.—A. Well, the agreement that I had with Mr. Birkett——

Question objected to by Mr. Carvell.

By Mr. Nickle:

Q. I ask you again is this the correct agreement?—A. That is one agreement I made with Mr. Birkett.

Q. Was there not an oral agreement between you and Mr. Birkett by which you were to get \$5 for each pair of glasses that you assisted Mr. Birkett in obtaining?—A. Yes.

Q. Now which is the correct agreement?—A. They are both correct.

Q. Under this agreement, the written document, Bilsky, Taylor and Birkett entered into a partnership by which 400 glasses were to be supplied; under the second agreement you were only a commission merchant and were to get \$5 for yourself for procuring glasses. Which is the correct position?—A. For the quantity of glasses that were delivered to the Department up to the 400 required that agreement showed my collateral was \$5 per glass on every glass Mr. Birkett turned into the Government.

Q. If the partnership agreement existed and was binding?—A. There wasn't any partnership agreement.

Q. You were really authorized by Mr. Birkett yourself to assist him in procuring the glasses and to get \$5 per pair for helping, that is the correct agreement?—A. I was what?

Q. You were acting as agent in procuring the glasses up to 400 pairs for Mr. Birkett who had a contract with the Government, and in consideration of your assistance you were to be paid \$5 a pair?—A. I was to get \$5 per pair supplied by the people that I introduced Mr. Birkett to in New York.

Q. Then the fixing of the prices according to your story rested with Mr. Birkett?—A. What he was to pay for them?

Q. What you were to pay for them?—A. I had no money in this deal at all, I wasn't to pay.

Q. Mr. Birkett was to determine what price was to be paid for the glasses in New York?—A. He was the man.

Q. You had nothing to say about that?—A. Absolutely nothing.

Q. And the time came when Mr. Birkett thought the glasses were costing more than he thought he was warranted in paying?—A. I do not know what he thought.

Q. You have told Mr. Carvell that he did?—A. I do not know what he thought.

Q. Why did the purchasing in New York cease?—A. According to what my agent that I introduced Mr. Taylor to wrote to me, it was because he had no money to pay for them.

Q. Was it money or price?—A. Both money and price.

Q. If you had all the money you say you had why didn't you jump in?—A. I wasn't making enough to jump in on the binoculars.

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Q. You were making \$5 a piece, and if you had jumped in and bought them Mr. Birkett would have paid you the \$5?—A. If I had put the money up?

Q. Yes?—A. I wasn't putting up money.

Q. You had agreed to supply 400?—A. There was nothing about money in it.

Q. Supposing you had brought these glasses to Ottawa, to Mr. Birkett, under that agreement you would be entitled to \$2,000?—A. But the understanding was that Mr. Birkett was to put up the money, and I agreed to introduce Birkett's man to my agent in New York.

Q. Assuming that you had put up the money?—A. I am not assuming that, that was not the understanding Mr. Birkett and myself had.

Q. You were to get \$5 per glass on the glasses purchased?—A. I was to get \$5 per pair to introduce Mr. Birkett's man to a source where the glasses were to be supplied to Mr. Birkett.

Q. And the whole agreement comes down to this, that on this transaction you were to get \$5 per pair in return for your courtesy in introducing Mr. Birkett's representative to the vendors in New York?—A. There was no courtesy whatever, it was a straight matter of business, I was working with Birkett.

Q. You were to get \$5 per glass for your business service in introducing Birkett's representative to the vendors of the glasses in New York?—A. You can put it that way.

Q. Well put it that way?—A. Birkett offered me \$5 per glass for every glass turned into the Department if I would introduce him to a source of supply where he could get the glasses.

Q. That was the whole contract?—A. That is the whole contract.

Q. So the time came that Mr. Birkett found that the glasses were costing more than the price warranted him paying?—A. I do not know what Mr. Birkett thought; I know he didn't keep on buying the glasses at the price he could get them for.

Q. And you swore that he could have got all the glasses he required if he had furnished the money?—A. Birkett hasn't paid me even for the glasses he has supplied, he has renigged on that.

Q. Then Mr. Birkett still owes you money?—A. According to what he swore here he does.

Q. What do you say?—A. I do not know, I haven't figured it out yet.

Q. On your oath you say you do not know whether Birkett owes you money?—A. I do not know whether he does.

Q. What would you say about it?—A. I claim he does and he claims not.

Q. What do you say?—A. It just depends upon the interpretation of the agreement.

Q. You claim that Birkett owes you \$5 a pair on 400 pairs?—A. Oh no, on what he delivered to the Department.

Q. On how many?—A. 166.

Q. How much did you get?—A. I am not sure, he told me about 118 pairs, and that is what my commission money should be.

Q. You claim that he owes you money yet?—A. I haven't claimed it, you asked if he owed me any and I told you what he hadn't paid me.

Q. Do you know that Colonel Hurdman can be bought?—A. No.

Q. You never tried to buy him?—A. As far as I know Colonel Hurdman could not be bought.

Q. As far as you know he is absolutely honest?—A. Absolutely.

Q. Why did you not go to Colonel Hurdman himself?—A. I did.

Q. Did you get Mr. Hurdman, the member of the Legislature to approach Colonel Hurdman on your business?—A. I was speaking to Mr. Charles Hurdman and mentioned to him that glasses were to be supplied and I said: "I suppose you are a pretty good Grit" and asked him if he could come in and he said: "I will speak to the Colonel and see what we can do."

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Q. And what did he do? Did he come back and tell you what he had done?—A. He told me the whole thing was in the hands of Mr. Mason.

Q. In the hands of Mr. Mason, and who is he?—A. Of the P. W. Ellis Company.

Q. In other words it comes to this, that you went to the Department, and the reply you received at the Department was that Ellis Company was looking after it?

—A. No, the Department didn't tell me that. I went to see Mr. Brown and he told me that he would go into it.

Q. And eventually you learned that the entire purchasing of these binoculars was left with the Ellis Company?—A. That is what I have been informed, yes.

Q. And you knew that Colonel Hurdman was only the inspector, not the purchaser?—A. That is what I did not know.

Q. And you were unable to sell to the Government through Colonel Hurdman?—A. I approached Colonel Hurdman at the time and he told me that if he didn't get the glasses I would hear from him.

Q. Did you not hear from Mr. Hurdman, the member of the Legislature, that Colonel Hurdman had told him that the Ellis Company was buying glasses for the Government?—A. Yes, Mr. Charles Hurdman told me that.

Q. Then you did know that Mr. Ellis was buying?—A. Well, you get at it in such different ways.

Q. Then you approached Mr. Birkett, finding that he had a sub-contract from Ellis?—A. I never did.

Q. Did you approach Mason?—A. This was a month or so after I approached Ellis.

Q. Then eventually you got an arrangement with Mason, didn't you?—A. I never had any arrangement with him.

Q. Did you get into touch with Birkett?—A. Birkett got into touch with me.

Q. You didn't approach Birkett?—A. Absolutely not.

Q. Birkett came to you and offered you \$5 per glass?—A. That was the last arrangement, yes.

Q. Was there a first arrangement?—A. There was an arrangement with Birkett and I that we were to go into this matter on an equal division, there was a verbal arrangement to that effect.

Q. And then you went down to New York?—A. Yes, sir.

Q. And that is all there is to it?—A. Yes.

By Mr. Carvell:

Q. Do you mean to say that you went down to New York after you made the first arrangement that you were to go in on an equal division?—A. No.

Q. You did not go down to New York on the first arrangement?—A. No, it was on this second agreement here.

Q. Now, in your judgment, Mr. Bilsky, knowing the binocular business of America as well as you do, do you believe that the P. W. Ellis Company bought these glasses as cheaply as you could?—A. If they had the same sources they might have.

Q. They are in the business, aren't they?—A. I do not know that they are.

Q. Do you not know whether they are in the binocular business or not?—A. Undoubtedly they are in the binocular business now, but I do not believe they were until the Government got them into the binocular business.

Hon. Mr. REID: Mr. Ellis swore that he was.

By Mr. Carvell:

Q. Have you any knowledge about it?—A. I have been dealing with the P. W. Ellis Company for fifteen or twenty years, their travellers come down to me every three weeks or two weeks, and they never approached me to buy binoculars or attempted to sell them the same as another firm.

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By Mr. Kyte:

Q. What do they sell you?—A. Wholesale jewellery, I do not believe the Ellis Company were in the binocular business.

By Hon. Mr. Reid:

Q. Do you really know whether they were?—A. Well, we have been dealing with binocular firms—

Q. But the question is do you really know if this firm were in the binocular business or not?—A. I do not.

By the Chairman:

Q. Is there any firm in the binocular business in Canada which does not associate the binocular with other business?—A. Yes.

Q. Where are they?—A. The Consolidated Optical Company.

Q. Are they a retail firm?—A. No, wholesale.

By Mr. Kyte:

Q. If the Ellis Company were in the binocular business and had a large connection with wholesale dealers, those handling binoculars in the United States, would not that company have the same opportunity to get binoculars that you had?—A. The same.

Q. At the same price?—A. Or less, perhaps.

By Mr. Boys:

Q. Do you think \$5 is a very reasonable charge for your service in introducing Mr. Birkett to the source of supply?—A. I think it was.

By Mr. Sharpe (Ontario):

Q. Did you represent to anybody that through your connections with the New York firm you had cornered the market and that nobody else could get glasses?—A. Never.

Q. Did you ever represent that to Mr. Birkett?—A. No.

Q. He tells me you did?—A. He lies.

By Mr. Bennett (Simcoe):

Q. In connection with Mr. G. C. Hurdman, was he to receive any profit for his talk and inquiries to Colonel Hurdman on your behalf?—A. He was not.

Q. I will read his evidence. This question was asked: Mr. Hurdman: "I understood you to say that you expected to make a profit?—A. No, I was asked that several times. I said I did not know how much profit there would be; I supposed there would be an honorarium, or something." Was that untrue that a conversation had passed between you and Hurdman leading him to believe he would have something out of it?—A. Absolutely not.

Mr. CARVELL: Hurdman never said that.

Mr. BENNETT (Simcoe): I will read Mr. Hurdman's evidence.

Mr. CARVELL: Read it right. You read the question and made an untrue deduction from it.

Mr. BENNETT (Simcoe): I tell you you lie. There is the answer there.

Mr. CARVELL: Try and be a gentleman.

Mr. BENNETT (Simcoe): Try and be decent. When a member of the Committee reads it, then you say he did not read from the evidence at all.

Mr. CARVELL: I said you read it and made an unfair deduction from it.

Mr. BENNETT (Simcoe): (Reads):

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"I understood you to say that you expected to make a profit?—A. No, I was asked that several times. I said I did not know how much profit there would be, I supposed there would be an honorarium or something."

Now, I ask you——?—A. Was that referring to me or Mr. Bell? He went to Colonel Hurdman in regard to Mr. Bell.

Q. Referring to you. I will go back. (Reads):

"Q. I thought you were going purely for Bilsky?—A. Yes, later.

Q. So you had two different visits—A. Several.

Q. That is, you went about the one hundred order?—A. I did not have any profit at all? Bilsky was going to make a profit; I had not any profit. I had not any arrangement at all; I was not participating in any profit."

Then, when he is pressed further, Mr. Hurdman makes this answer.

Q. You said you expected to make a profit?—A. I looked at it this way: If this order was secured, I thought—but there was no arrangement with Bilsky; you understand that. . . .

Q. Explain that. I understood you to say that you expected to make a profit?—A. No, I was asked that several times. I said I did not know how much profit there would be, I supposed there would be an honorarium, or something."

Was that discussed between you?—A. Absolutely not.

Q. What G. C. Hurdman said is incorrect?

Mr. CARVELL: Hurdman says he understood himself not Bilsky.

By Mr. Bennett (Simcoe):

Q. There was no conversation between you and Hurdman that would lead him to believe he was to receive any of the profits?—A. Absolutely none.

By Mr. Carvell:

Q. Now, one more question about the firms in the United States. I think it is in evidence here from Mr. Ellis that no person could buy glasses from the Bausch & Lomb people in large quantities?—A. I do not think they could.

Q. Now, how could you get Bausch & Lomb glasses under the circumstances?—A. Well, each jobber has a certain outlet per week of glasses; there may be perhaps five hundred or one thousand jobbers in the United States, and I thought I could get connections and could get eight or ten from each jobber.

Q. While you could not go to the Bausch & Lomb factory to buy the glasses in large quantities, you could get Bausch & Lomb glasses by buying them from the jobbers?—A. Absolutely.

Q. And the only man who could get them was the man who had the connection with the binocular business?—A. Absolutely.

Q. Now, would Bausch & Lomb sell any larger number to a man who is a jobber than to a man who is not a jobber?—A. I do not believe Bausch & Lomb would sell unless you are in the trade. They would not sell to any person going to them.

Mr. CARVELL: Is Mr. W. J. Browne here?

The WITNESS: He won't come.

Mr. BOYER: I have just been told Browne is in bed with erysipelas.

Witness discharged.

Committee adjourned.

Mr. SAMUEL BILSKY.

AFTERNOON SITTING.

HOUSE OF COMMONS

Room 211,

MONDAY, March 29, 1915.

The Select Standing Committee on Public Accounts met at 3 p.m., Mr. Morphy presiding, in the absence of Mr. Middlebro, the Chairman.

The Committee proceeded to the further consideration of "Sessional Paper numbered 122 of the present session of Parliament and all other papers in relation thereto, being copies of correspondence between the Auditor General and the Department of Militia and other departments of the Government, laid upon the table of the House in respect to expenditures under the War Appropriation Act", referred to them by the House.

Mr. T. A. RUSSELL, called, sworn and examined.

By Mr. German:

Q. You are the head of the Russell Motor Car Co.?—A. Vice-president and general manager.

By the Chairman:

Q. What is the name of your company?—A. The Russell Motor Car Co., Ltd.

By Mr. German:

Q. What connection, if any, have you with the Canada Cycle and Motor Co.?—A. The Canada Cycle Motor Co. is owned by the Russell Motor Car Co. and handles the bicycle and accessories business.

Q. When were you appointed by the Government to purchase supplies for the Canadian overseas contingent?—A. For the Canadian overseas contingent, on the 2nd September.

Q. And had you been appointed for any other purpose prior to that?—A. On the 14th August I was asked to act with Mr. McQuarrie in the purchase of 25 motor trucks.

Q. And that was your first connection with the Government in the purchase of supplies?—A. In any way, yes.

Q. Who appointed you?—A. The Minister of Militia.

Q. By writing?—A. By writing. I had called upon him with Mr. McQuarrie to see if the Government were in need of trucks, that we were prepared to manufacture. He asked me how many we could deliver, I think it was, in ten days, and I said I thought we could deliver about ten. In a few minutes he said that he had not time to give to it himself and presumed it was right that we should supply some, and could we undertake the securing of the balance to make up a total of 25 to be shipped and in Valcartier on the 25th or 28th of August, two weeks' time.

Q. Did you get a letter from the Minister making the appointment?—A. Yes.

Q. Could you let me have that. (Producing). Then the verbal conversation you had with him in Ottawa was the first connection you had with the Government in connection with the matter?—A. Exactly.

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Q. And was it on the date that this letter is written?—A. That was written while I was in his office.

Q. (Reads):

August 14, 1914.

DEAR SIRs,—I have pleasure in commissioning you to select for me, for the Department of Militia and Defence, using your best judgment, as many motor trucks as you can conveniently secure, up to twenty-five (25) to be delivered at Valcartier, Quebec, by the end of two weeks from to-day—the 28th instant.

I shall be obliged if you will, also, supply us with chauffeurs for these trucks.

Faithfully,

SAM. HUGHES.

Also suitable trailers.

S.H.

Messrs. RUSSELL & McQUARRIE,

Chateau Laurier,

Ottawa.

Q. How many trailers were required?—A. One for each truck.

Q. Was anything said about price?—A. \$3,500 a truck.

Q. What tonnage?—A. Two-ton.

Q. Two-ton trucks at \$3,500?—A. Yes.

Q. Then, how much were the trailers to be?—A. The trailer was a thing that we did not know about; we did not know what was a suitable trailer, there were three different kinds altogether.

Q. Now, Mr. Russell, it is rumoured around here, I do not know whether it is true or not, we probably might as well settle it now, that you have paid to the Government lately a certain amount of money as a refund, is that correct?—A. Not lately. I presume the reference is to the motor truck tires.

Q. But did you, I do not know what it is for?—A. There have been altogether three adjustments of accounts, two credit notes, or refunds, as you may call them, and one new charge which I can deal with if you desire to deal with them now.

Q. How much was the amount of the refunds?—A. About \$5,000.

Q. What were they on?—A. On the tires.

Q. They were on the tires, nothing on the trucks?—A. Nothing on the trucks.

Q. \$5,000 refund on the tires?—A. On the tires.

Q. Then, we can come to the tires later on—well you might as well go on now?—A. Those tires were solid truck tires purchased for the First Contingent, spare tires, at first one tire for each ten on the machines. When I discussed the price with the Dunlop Tire Company they said that 30 per cent off the list price was correct, and the price which they had been supplying to the Government. I bought them at that price and increased the order to one tire for each five tires on the machines. At first I was in doubt as to how many spare tires I should supply, and I have since found that the War Office supply very many more than that. That was after our Purchasing Agent joined me in England.

By Mr. Rhodes:

Q. The Purchasing Agent of your Company?—A. He told me he thought we had been mistaken in our tire price because we had since purchased a number of tires for equipment purposes on the trucks at a very much lower price. I said I would go into it, and when I came back to Canada I came to Ottawa on the 22nd of January, and asked Mr. Thomas who was then acting for the Department, what he paid for the Kelly tires for the Second Contingent. He told me, and stated that our prices on the first one were a great deal higher and I told him I was looking into the matter. I looked into it, took into account the difference in the price of rubber, and in the

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price of truck tires, I took up the question with the manufacturers, the Dunlop Tire Company and arranged that the Government should pay the same price as the lowest price they had made up to September to anybody, or within 5 per cent. I considered that they were entitled to the extra 5 per cent on the tires because I had a good deal of help from them in measuring up the different trucks and settling what size of tires they were, and some of them had to be changed in Montreal and there was a good deal of rush altogether in connection with the transaction. So the tires were supplied and charged to the Government on that basis.

By the Chairman:

Q. Those were tires that had already been supplied?—A. Yes.

By Mr. German:

Q. According to the Government returns 28 sets of tires were purchased from the Canada Cycle Motor Company, which was your Company?—A. Yes.

Q. At a price of \$390.18 per set?—A. Yes.

Q. And the contract price for the second contingent was \$247 per set?—A. Yes.

By the Chairman:

Q. Per set of four?—A. Per set of six.

By Mr. German:

Q. That is your recollection of the price?—A. These figures are very misleading, just as it would be to take the numbers, because the tires vary in size; some of the tires cost more than \$390 per set, and some others, less.

Q. The tires for the first contingent were purchased from the Canada Cycle Motor Company?—A. Yes.

Q. All of them?—A. Yes.

Q. And you say that the \$390.18 returned was an average?—A. Yes, an average.

Q. Now they were all purchased from your own company?—A. Yes.

Q. And that was all that were purchased, as far as tires were concerned, for the first contingent?—A. Yes.

Q. When were they purchased?—A. In September.

Q. In September, by yourself and Mr. McQuarrie?—A. I and Mr. McQuarrie, he was at Valcartier, but he didn't buy all of them.

Q. Did you make any inquiry from any other company as to what these tires could be obtained for?—A. Not at that time.

Q. You just took them from your own company?—A. From them, and they secured them from the Dunlop Tire Company. I secured them from our company.

Q. At \$390.18 on the average, and you say these were all that were purchased until you purchased for the second contingent?—A. No, I did not purchase for the second contingent. That is all that were purchased by me.

Q. Do you know from whom the second lot, for the second contingent, were purchased?—A. Yes, from the Goodyear and Dunlop companies.

Q. And they were purchased directly from those companies?—A. Yes.

Q. How much did your company pay the Dunlop Tire Company for those tires?—A. At the same price at which they had been charged to the Government, an average of \$390 a set.

Q. And who is the Dunlop Company?—A. The Dunlop Tire and Rubber Company of Toronto.

Q. Have you any connection with that?—A. None.

Q. You have no connection with them?—A. No.

Q. If these were purchased by your company, the Canada Cycle and Motor Company, from the Dunlop Company, at the same price that they were handed in to the

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Government, why did you make a refund?—A. Because there has been a reduction made by the Dunlop Tire Company in view of the number of tires. I found when I got back and looked into the situation that the sales manager of the Dunlop Tire Company was accurate in his statement to me that the price to the Government was 30 per cent off, and it was that they had only supplied a comparatively few tires, whilst the order we gave, while not anything like as large as the second contingent was really considerable, and I arranged with them that the same price, with the exception of the 5 per cent I have referred to, should apply to these tires which they had supplied earlier. The difference in price is this: A motor truck tire is made up of two parts, the rubber part and what is known as the steel equipment that goes with it. All the steel equipment is sold at 30 per cent off list price and that is the charge to the first contingent and at which they are being supplied now. The tires were supplied to the first of June at 40, three 10's and 5 off, which works out at 42 per cent of list price; the tires for the second contingent are being supplied at 40 less seven 10's which works out at 48. The price of rubber, when this took place was \$1.15, it has been for the last few months 58 cents, which reduces the net price 10 per cent in that period, so their percentage was 42 less two 10's making 34, so that the tires which are being bought by the Government in a comparatively large quantity are being bought on the basis of 28 as against 34, which was paid for a comparatively smaller number for the first contingent. I point this out as a condition of the trade, I am not a rubber manufacturer, but every time a manufacturer makes a lower price for what is known as equipment, he makes up for it in the resales of spares, and sometimes that is very considerable. The actual difference between the price at which these have been charged by the Canada Cycle and Motor Company to the Government is really based on 34 as against 28, and this price which you have amended there is the price which the Canada Cycle and Motor Company paid to the Dunlop Tire Company.

By Mr. Sharpe (Ontario):

Q. They handed them into the Government at the price they paid for them to the Dunlop Tire Company?—A. They handed them into the Government at the same price they paid for them to the Dunlop Tire Company, and there is no rebate or understanding in connection with it.

By Mr. Boys:

Q. Do I understand you to say that the reduction in the price of tires was the result of the interview you had with Major Thomas?—A. No, I came to see Major Thomas in order to find out exactly the price at which they were being charged for the Second Contingent before I took up the matter definitely with the Rubber Company.

Q. If I understand correctly the reduction is due to the conversation he had with you?—A. No, I hardly think Major Thomas would intend to create that impression. I came to Ottawa and went to see him on January 22nd, I did not tell him just what it was for, but I asked him the price of the tires, he told me, and I said, "That is lower than we got on the First Contingent and I am looking into it." I was very much surprised to find that he would, even by inference, suggest that was the result of the interview with him; it was not.

By Hon. Mr. Reid:

Q. I thought he said he wrote the Minister to make a reduction, that was after?—A. After I had seen him.

Q. You do not give him credit for making any reduction?—A. All I give him credit for is getting a good price for the second contingent.

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By Mr. Northrup:

Q. This whole matter arose from conversation between you, to your own personal knowledge?—A. That is what started it. Then I came to Ottawa to corroborate it. They wanted 36 x 5; these were 38 x 5.

By Mr. German:

Q. What size tire did you sell the Government?—A. They varied. In order to get the trucks necessary in the time at our disposal we got one kind of truck for supply column, and had to get four kinds of trucks for ammunition park. I think there were six sizes of tires supplied.

By Mr. Carvell:

Q. Can you give us those?—A. 42 x 5.

Q. How many?—A. 18.

Q. That will mean three sets, will it?—A. They do not exactly work out that way. It was a very awkward thing to work out. One truck might have a certain size of tire on the rear, and a different truck would have that size of tire on the front, so you cannot exactly pair these up into sets. For example, one set was composed of four 36 x 5; another was composed of two fronts of 38 x 5 and four rears of 42 x 5. It is a little difficult from these figures to tell them by.

Q. How many were there?—A. 40 x 5; 30; 38 x 5, 10; 36 x 5, 52; 40 x 4, 20; 36 x 4, 14; 36 x 3½, 14. I think that is all. I think that makes a total of 160; but it does not exactly jibe in sets that way, because some of them may take 4, and some 6.

By Mr. German:

Q. It makes up a total of 28½ sets, that is what the report says?—A. Probably that would be right.

Q. Now, you got an order to buy 25 trucks in the first place?—A. Yes.

Q. And you supplied those did you?—A. We purchased those, yes.

Q. From what source?—A. 8 were supplied by our company; those were the 8 referred to when the arrangement was made with the Minister; 5 were got from the White Co.; they say they were all 2-ton trucks; 4 from the Gramm Motor Truck Co.; 4 from the Packard Co.; and 4 from the Pierce. When I say from these companies that is the name of the trucks.

By Mr. German:

Q. They were all 2-ton trucks, were they, all of them?—A. Yes.

Q. Now what was paid, for instance, the Gramm Co. for the four supplied by them?—A. All of these machines purchased in the first 25, were purchased at the regular list price for these trucks.

By Hon. Mr. Reid:

Q. Each company's list?—A. Each company's list price. (Consults documents.) The Gramm was \$3,600.

By Mr. German:

Q. 4 trucks from the Gramm Co. at \$3,600. That is their list price, for 2-ton trucks?—A. Yes.

Q. The White Co.?—A. Theirs was \$3,150, I think, with a stake platform body, but without the duty paid.

By Hon. Mr. Reid:

Q. That is in bond?—A. That is in bond. The American trucks were in bond prices.

By Mr. German:

Q. Are the Gramm Co. manufacturers?—A. They call themselves manufacturers; they do not do machine work to any great extent, they are largely assemblers.

Q. They do not do machine work at all?—A. I would not like to say at all, but if so, very small.

Q. And who manufactures the trucks or parts of trucks the Gramm Co. turn out?—A. Well, the Continental Engine Co. in Detroit make the engine, the Timken Axle Co. in Detroit make the axles, and they buy other units from different people. They buy some things in Canada, their springs, their fenders, their frame, I think, is built in Canada, and I believe their radiator and a number of other parts like that.

Q. Then, the White Co., where are they, in Toronto?—A. They have a branch in Toronto.

Q. Where are their works, their head office?—A. Cleveland, Ohio.

Q. Are they manufacturers?—A. At Cleveland, they are large manufacturers.

Q. And you got four from them?—A. Five.

Q. At \$3,150?—A. Yes.

By Hon. Mr. Reid:

Q. And duty to be added?—A. The duty would be 35 per cent.

By Mr. German:

Q. What was the duty?—A. 35 per cent on whatever the whole sale price would be.

Q. And what was their list price?—A. That was their list price.

Q. Now the next company?—A. Was the Packard Co.

Q. Of what place?—A. They are Detroit. They referred me to their agent the Ontario Motor Co., in Toronto.

Q. You got four from them?—A. Yes.

Q. 2-ton trucks?—A. At \$3,050.

By Hon. Mr. Reid:

Q. In bond?—A. In bond.

Q. Duty to be added?—A. Duty to be added.

By Mr. German:

Q. That was their list price?—A. That was their list price.

Q. What other company?—A. Pierce.

By Mr. Carvell:

Q. Is that the same as the Pierce Arrow?—A. Yes.

By Mr. German:

Q. Four at \$3,150 each?—A. Yes.

By Hon. Mr. Reid:

Q. And the duty to be added?—A. Yes.

By Mr. German:

Q. And that was their list price?—A. Yes.

Q. The Pierce Arrow are manufacturers?—A. Very large manufacturers.

Q. And then the other company was your own?—A. The Russell Motor Car Co.

Q. From whom you took 8 at \$3,500?—A. Including any duty on parts.

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Q. That was your company's list price?—A. Yes.

Q. Now, how much is the list price higher than the actual manufacturer's prices?—A. You mean the wholesale price?

Q. Yes?—A. It varies to some extent with different firms, the average I would say was 20 per cent.

By Mr. Carvell:

Q. Could you not take each firm?—A. I do not know them, in fact, know any of them.

Q. Take your own?—A. Our own is 20 per cent.

By Mr. German:

Q. So \$3,500 then is for your own company 20 per cent higher than the wholesale price?—A. Yes.

By Mr. Carvell:

Q. What would be his wholesale price?—A. \$700 less, \$2,800.

By Mr. German:

Q. And I suppose the others would average about the same?—A. I would expect so.

Q. Now, you might state perhaps what commission were you getting for your services in purchasing?—A. I never received any commission.

Q. Were you to get any commission?—A. No, none whatever; that was quite clearly understood.

Q. You were never to have any commission?—A. No commission or payment for expenses in any way, shape or form.

Q. Then, that disposes of the 25 which you purchased first?—A. Yes.

Q. Then you made further purchases?—A. Then I returned to Ottawa, this was all done fairly quickly.

By Hon. Mr. Reid:

Q. In fourteen days?—A. It was done very much less than that. This happened on the 14th of August. I returned and reported to the Minister on Tuesday the 18th of August, that these were all placed and under way. I may say this question of their being purchased at list price may seem a little curious. I did not feel that way with regard to the comparatively small purchases of less than 10 machines, that a fair basis of price was that the Government should pay for them as an ordinary consumer would. In addition to that, in the case of the Canadian manufacturers, we had to hurry them pretty fast to make delivery. In the case of the American manufacturers the question was quite a moot one as to whether, being contraband of war at that time, the United States was going to stop their importation; and I arranged with the different firms from whom I bought, and they ran these machines over across the border at different places so as to be sure and get them in, and not draw attention to them. It proved afterwards that that was all unnecessary.

By Mr. Sharpe (Ont.):

Q. Did you negotiate with the American firms directly?—A. I always did send my telegrams direct to the firms, and in all cases they referred me to their agents. I returned on the 18th of August, four days later, and reported to the Minister that I had purchased these trucks, and the orders were confirmed and the orders were sent out by the Department. He then asked me to purchase the waggons which were necessary.

By Mr. German:

Q. That is another matter?—A. Then there was no other purchase of trucks until the 2nd September.

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Q. Let us stick to the trucks now. Now, the first 8 which you purchased from the Russell Motor Car Co., you say at \$3,500 each, that would make \$28,000 for the whole lot?—A. Yes.

Q. Then the price of wholesale was 20 per cent less than that or \$2,800 each?—A. It would have been, yes.

Q. That would be \$22,400?—A. Yes.

Q. Making a difference of \$5,600?—A. Yes.

Q. Which your company got in excess of what you would sell at wholesale, to the wholesale trade for?—A. But, of course the wholesale trade—

Q. Never mind that, that is the fact?

Hon. Mr. REID: If there is any more he wishes to add, let him do it.

The CHAIRMAN: I think the witness should be allowed to finish his answer.

The WITNESS: I was simply going to say that in the wholesale it then becomes the duty of the agent to look after the car, to carry spare parts for it. He has to carry a car or truck for demonstration purposes, and have an investment in it; and I do not think it is a fair proposition at all to be placed on the same basis as the agent who ties up his money in it, and whose business it is to make his living by the wholesale.

By Mr. Carvell:

Q. How did that affect the question: You say that ordinarily you think it is fair that the agent should receive this \$700 for all these difficulties?—A. We stand in the place of agent. We assume and do these things.

Q. Then you contend that when this Company sells direct to the Government they are entitled to get this \$750?—A. On a small lot.

Q. That is 8 of the 25, and there will be 17 more, and you say that the percentage between the price at which they were sold to the Government and the wholesale price, would be about the same, 20 per cent, so that on this other 17 I suppose the difference would average about the same?—A. Yes.

Q. If the average were about the same on the 17 it would amount to \$11,200, or thereabouts?—Except that some of them absolutely refused to do business on that basis, and you could not have the trucks.

By Mr. Fripp:

Q. Did the agent get commission in this other case?—A. I do not know, I know they absolutely refused even on large orders to sell them at that discount; very few manufacturers would.

Q. You were selling direct to the Government, why shouldn't the Government have the Russell price?—A. The concerns selling will not give it.

Q. Surely they will give it to anybody that will buy?—A. No, the concerns absolutely refuse; we took the larger number, which I bought for the equipment of the Expeditionary Forces which I bought on the basis of less 10 per cent.

Q. Do I understand you to say that the present Government was purchasing these goods at retail prices?—A. Not because the Government was purchasing, but they will not sell to the consumer on the basis of the wholesale price at which they sell to the dealer, who stocks their goods and re-sells them.

Q. Although there is no agent concerned in the matter?—A. I do not know, whether they would.

Q. Because you were the agent for the Government?—A. I was not the agent in that sense, I was simply a purchaser, a buyer, not an agent.

Q. Did you make your best efforts to get the wholesale price, as purchaser for the Government?—A. On the first purchase?

Q. On all deals?—A. I purchased them at the lowest price I could get.

Q. Did you try to get them at wholesale price?—A. I discussed that with one or two of them, but I did not try very hard, I may have been wrong in it, but I had information,
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which must have been incorrect, that word was going out from Washington not to allow motor trucks to go out of the country to belligerents, and I was anxious to get the trucks so I did not take very much time on the question of discount.

Q. That may have been an excuse with regard to purchases from an American concern, but what about your own concern, the price of your own truck?—A. I did not discuss that.

Q. Then did you explain to the Minister that the wholesale price of those eight trucks which you sold at \$3,500 each, was \$700 less?—A. No, there was no discussion regarding the details at all.

Q. So that the Minister would not understand that there was a difference?—A. He might, or he might not.

Q. Did you ask the company if they would not sell to the Government at wholesale price?—A. As far as that transaction was concerned I went there to sell motor trucks for our company. I went there to sell them, perhaps you were not in at the time I stated this. The Minister asked me, they were taking some of our trucks if I would assist in the purchase of the balance required for the equipment of Valcartier, and which had to be obtained almost immediately.

Q. You were in the position of a seller?—A. Not at that time.

Q. And you didn't explain to the Minister that there was a difference between the retail and the wholesale price when he gave you the order?—A. I simply gave him the price.

By the Chairman:

Q. The price that was quoted to the Government was the same price that would have been quoted in a deal with one of your agents?—A. Not with one of our agents, but with any consumer that wanted to buy that many trucks.

Q. Supposing there was an agent of your company at London wanted to buy that same number of trucks?—A. In that case he is acting as agent for us, he has to buy one of our trucks and keep it on hand for demonstrating and to carry spare parts for it, he gets a discount of 20 per cent off that.

Q. At what price would he ordinarily sell to the Government?—A. \$3,500.

Q. Could not your local agent claim the \$700 on each machine sold in Ottawa here?—A. That all depends—motor trucks are separate from the other car contracts.

By Mr. Sharpe (Ont.):

Q. You reserve the right to sell at wholesale price, for instance to the Government, or anybody you wish?—A. No, in the case of our company their car contract has never included motor trucks.

Q. Did you ever make a proposition to any of these other companies that they should take less than the retail price?—A. I did not.

Q. I mean for the first purchase?—A. No.

Q. You never even made that offer?—A. No.

By the Chairman:

Q. In these purchases did you get any commission on the four Gramm trucks, the four Packard trucks, or the four Pierce-Arrow trucks?—A. No.

By Hon. Mr. Reid:

Q. There was no commission at all on any of those?—A. No, none was received.

Q. As a matter of fact if you had duty to pay yours would be the lowest price?—A. There is more duty on the complete trucks than on the parts.

Q. Each truck would cost a great deal less than any of the others, and at least \$100, less than the Gramm, according to the statement you made, is that correct?—A. Yes.

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By Mr. German:

Q. Did these trucks, which came from other firms than your own, come direct from the company to the Government or to the company's agents here?—A. Through their agents, through the Canadian representative.

By Hon. Mr. Reid:

Q. The companies always referred you to them, did they not?—A. Yes, when I wrote to the factories they referred me to the agents.

By Mr. German:

Q. Whatever the explanation may be, the fact is that between the prices charged to the Government and the wholesale prices from these various companies there would be about \$17,000?—A. Yes.

Q. Are the prices charged to the Government the retail prices, and they are 20 per cent higher than the wholesale prices?

Hon. Mr. REID: I understand Mr. Russell to say that there is practically that difference if sold to the agents, but the agents would sell at an advanced price over that discount to any person, the Government or anybody else?—A. That is right.

By Mr. Boys:

Q. That is the difference between the purchaser and the agent?—A. Yes, and in the case of the motor truck it is not exactly a case of buying and re-sales, it is a question of giving service to the customer.

By Mr. German:

Q. Do the manufacturers make money at their wholesale price?—A. Yes.

Q. Or they would not sell them at that price?—A. No.

By Mr. Carvell:

Q. What did your company do in order to keep those eight machines in repair?—A. After they had been used in Valcartier and the troops had gone away we sent men to thoroughly overhaul them and to put them in good shape without charge.

Q. How long were your men there?—A. I do not know how long although I gave about eight weeks' time; if there were any parts affected we will not claim for them.

Q. Were there many?—A. Very, very few, but there were some.

Q. Would it cost very much?—A. No, I do not expect it would be very much.

Q. Would it exceed \$200?—A. On the whole of them?

Q. Yes?—A. It would exceed that amount.

Q. Would it exceed \$300?—A. I do not think it would exceed \$50 per car.

By Mr. Sharpe (Ontario):

Q. There are all sorts of rumours floating around the building in regard to the commission paid to yourself. Have you directly or indirectly profited by commissions as agent?—A. Absolutely not in any way, in any shape or form, have I or do I expect to.

Q. Did you arrange for any concern without agents to split the commission?—A. None with anybody; there is no commission to anybody in connection with any transaction, or connected with any of these purchases, that is not apparent on the face of it. They were bought from the people by whom they were manufactured. The Russell Company or the Canada Cycle and Motor Company had no interest in any business other than that in their own name. I personally had no interest in any business, in none of them.

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Q. Will you tell how these purchases were operated?—A. When the goods were received at Valcartier they were inspected by Mr. McQuarrie there; he initialled all these if they were in shape, and they were paid for by the Department.

Q. Mr. McQuarrie gave evidence that you inspected them and passed them?—A. That was referring to those received at Montreal and shipped to Salisbury.

Q. Was the money handed over to you to make these purchases, or to sign the cheques?—A. No, it was done in the regular way through the Department of Militia.

Q. You handled no money yourself?—A. None. The return explains the basis upon which the goods were bought, and the orders were issued through the Department and paid for in the same way as any other business.

By Hon. Mr. Reid:

Q. You say that you have received no commission, and you were certainly busy at Valcartier, were you receiving any salary?—A. I received my regular salary as an officer.

Q. But from the Government?—A. Absolutely none.

Q. Do you mean to say you received nothing for your time at Valcartier?—A. No, the Government did not pay my expenses, I did not expect it nor apply for it.

Q. All your expenses on the other side were paid by the Russell Motor Company?—A. Yes.

Q. You received nothing whatever?—A. Nothing whatever, the only thing I received was I went on the boat with the Minister and my transportation one way was arranged.

Q. And your company paid all the other expenses?—A. In every shape and form.

Q. Has there been any buying this year?—A. There was no mechanical transport organization in the Militia Department, and I engaged stenographers at the Chateau Laurier to do my own work, and carried my work with me.

By Mr. German:

Q. Now you have disposed of that 25?—A. Yes, sir.

Q. You purchased a very much larger number than that under what instructions?

—A. Under the instructions of the Minister dated December 2, 1914.

Q. Then, these are your second instructions, Mr. Russell?—A. Yes.

Q. (Reads):—

OTTAWA, September 2, 1914.

DEAR SIRS,—Will you please proceed with the purchase of motor trucks and equipment for the Department of Divisional Supply and Ammunition Park, according to the schedule furnished you, totalling 134 motor trucks, 7 motor cars and 16 motor cycles. I am in accord with your idea of using automobile trucks for the workshops and storage for parts, instead of having special tractors for this purpose. These trucks will be of three ton capacity, if you can secure a sufficient number of satisfactory make without too great variety; if you have to use the two-ton trucks to secure a sufficient number, it will be necessary to provide an additional number so as to take care of the tonnage required. I am anxious that you should make use of the Jeffery trucks, if possible, as these have been highly recommended to me for military purposes.

The trucks should be delivered at Quebec by 22nd September.

Yours truly,

SAM HUGHES.

Mr. T. A. Russell,
Mr. J. H. McQuarrie,
Ottawa.

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Then under that instruction you proceeded to purchase further trucks, and you purchased from the Gramm Motor Co., 19, I believe?—A. 19, that is right.

Q. 19 and 4 will be 23?—A. Those are 4 of the previous ones; there were 19 purchased of the Gramm on this order.

Q. This return gives 23 from the Gramm altogether?—A. Yes, including the first 4.

Q. Have you got a list of the second lot purchased?—A. Well, it is in a long report here which I might—

Q. This covers it all. You bought 4 2-ton trucks; then you bought 4 more, you bought 8 altogether from the Gramm Co.?—A. Yes.

Q. Eight. Now, the second four were purchased how long after the first four?—A. The purchase was actually made about the 9th September.

Q. And they were all, the whole 8 2-ton trucks, at the same price, \$3,600 each?—A. No.

Q. That is the way it is given in this "list of trucks purchased since August 1st." This has been put in by Mr. McQuarrie, your co-commissioner. He says: Gramm Co. 8 2-ton trucks at \$3,600 each?—A. No discount at all?

Q. Not on these 8?—A. Then, that is incorrect.

Q. Well, correct it?—A. The second four were to be at the discount arranged with them, that they should be bought at a discount of 20 per cent from list price provided they were allowed to get drawback of duty entering into raw materials in the ordinary way that a manufacturer does when his goods go out of the country for export.

Q. How does this statement come to be made up in this way? This has been sworn to by your assistant, Mr. McQuarrie.

By Hon. Mr. Reid:

Q. According to what you say, he did not get the drawback of duty?—A. No, it was subsequently found that the way in which we were shipping trucks did not comply with the Customs regulations for securing drawbacks of duty. The goods in order to secure the drawback of duty have to be shipped from the factory, that is to say, to a certain export port. These were not. They were shipped to the Government at Montreal, and the port of destination was in England; and when I came to arrange it with the Customs officials it did not comply with the regulations. So I arranged to make the discount of 10 per cent, the same as from all the other manufacturers, which was about equivalent to the drawback.

Q. How much did the Government pay for that other 4?—A. The list price, less 10 per cent. All of the trucks of the first contingent were bought at 10 per cent from list price.

By Hon. Mr. Reid:

Q. On the first price?—A. 10 per cent from list price.

By Mr. German:

Q. After the 25?—A. I would like to just discuss my view with regard to it, and I may be right or wrong.

By Mr. Boys:

Q. The price was \$3,250?—A. \$3,240, that is less 10 per cent. When I tested out the motor trucks for this important purchase I sent out word to a number of the leading manufacturers. I had got instructions, as you know, on the 2nd September, which was on a Wednesday. I sent out word to as many of the best known manufacturers as I could to have their trucks ready at Toronto for the test on Monday and Tuesday, the 7th and 8th of September; and I started at seven o'clock in the morning on

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Monday the 7th September to test them, and had a very short time, because I had only three weeks allowed from the time I was asked to get together the contingent's cars, until the time they were supposed to be laid completed in Montreal. There was not a scrap of paper in the Department to indicate what the style of truck should be, or what the body should be like and so on. I allowed one week to test and determine them, which took me to the 9th; I allowed one week for the manufacturers to ship, which was until the 16th; and one week for transit to Montreal, that is the 23rd. I commenced testing these trucks on the 7th. In determining the price I was governed by the following considerations which I afterwards thought were not very far wrong. Two of the best known trucks I discussed with one of the largest truck makers, that while we had paid list price for the comparatively small number before we were not going to do so again. We discussed what it should be. I said I thought it should be a discount of not less than 10 per cent. He stated that he thought that was too much, but finally agreed that if my say so went he supposed they would have to take it, but he would confer with the president of the company. He advised me afterwards that he had conferred with the president of their company, and if they made that quotation to me they would stand by it, but in the present condition they expected to sell at list price. Two of the firms refused to give a discount of 10 per cent. One other indicated that 10 per cent was the lowest price that it would take. I know that was the case, because they explained that was their quotation to the United States Government. I concluded to make a uniform basis of 10 per cent on all of the trucks for the first contingent. We bought on that basis from whoever they were bought. I was very interested to know whether that was right or not. When I sailed for England on the 4th of October I met Major B. Croft. He asked me on what basis I had purchased. I said I had made a uniform basis of 10 per cent. He said he was identified at that time with the negotiations for the French trucks, and that was substantially the basis they were purchasing in the United States, for an order of 600. When I went to England, the Director of Transport at the War Office went down to dinner with me the first evening I was in London. He asked me what I had bought trucks at. I stated a uniform discount of 10 per cent. He said that is very strange, that is substantially what we are paying. We discussed the situation a little further. On a larger quantity, and on future orders, when there was more time, and we could get more from one manufacturer, we might get better terms. He thought they would do the same. But at that time that was the basis on which they had been bought.

Q. Now, you have given us a long explanation. I would like if you would just answer the questions. I was asking you about the second 4 2-ton trucks that you purchased from the Gramm Co. You say that they were purchased at—A. 10 per cent.

Q. Discount from the wholesale price of \$3,600?—A. From the retail price.

Q. \$3,600, and is that what was paid by the Government to the Gramm Motor Truck Co. for this second lot of 4 trucks?—A. Yes, sir.

Q. That would be \$3,250?—A. \$3,240.

Q. Do you know that that was what was paid by the Government to the company?—A. I know that; I initialled every invoice of the Gramm Motor car for that amount.

Q. Well, then, there were 15 other 3½-ton trucks?—A. Yes.

Q. Purchased from the same company?—A. Yes.

Q. At what price?—A. \$4,600, less 10 per cent.

Q. \$4,600 less 10 per cent?—A. The same ten.

Q. Well, then, this discount put in by Mr. McQuarrie is wrong again, because he says less 20 per cent?—A. I explained that the arrangement with them was to have been 20 per cent off, and they were to get a drawback of duty. You asked me afterwards what the Government actually paid.

Q. It was \$4,600 less 10?

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By Mr. Kyte:

Q. And the wholesale price was \$4,600 less 20 per cent?

Mr. CARVELL: What was it the Gramm Co. said about their discount? It brought the wholesale price down to \$3,150.

Hon. Mr. REID: The lot that they sold?

Mr. CARVELL: We can look at the evidence given by the manager of the Gramm Co.

The WITNESS: I do not know what their arrangements with their agents would be

Mr. CARVELL: I think it would be in Mr. Acason's evidence.

By Mr. German:

Q. Then you purchased from the White Co. 4 in the first lot and you purchased 39 in the second lot?—A. Yes.

Q. Now, what was the size of those trucks?—A. 3½-ton, no, I beg your pardon, 3-ton.

Q. Well, the first 4 was at a price of how much?—A. Those were the ones we discussed before, the list price.

Q. Would that be \$3,150?—A. No, it was \$3,700, I think. You were speaking of the 4 at \$3,150.

Q. There appear to be 5 "T.B.C." stake trucks at \$3,150?—A. These are the same first 5.

Q. Then there were 38 3-ton trucks at \$3,700?—A. Less ten per cent.

Q. And was that the price that is paid the White Co.?—A. Yes.

Q. They invoiced them all right to the Government?—A. Yes.

Q. And the White Co. is in Toronto?—A. Yes, they have a branch in Toronto.

Q. Well then, the Dominion Automobile Co.—who were they?—A. Agents for the Peerless truck.

Q. You purchased 25 from them, that is right?—A. Yes.

Q. 3-ton trucks at \$3,700 each, less 10 per cent, that is right?—A. Yes.

Q. Is that the price that was paid the Dominion Automobile Co. by the Government?—A. Yes.

Q. Well, now, how does it happen that you paid the Gramm Co. \$4,600 for trucks, and the Dominion Automobile Co. only \$3,700 for the same class of trucks?—A. The one is a truck in Canada including duty on raw materials, and so on; the other is an imported truck and does not include duty.

By Hon. Mr. Reid:

Q. Duty would have to be added?—A. Duty would have to be added if it were coming into Canada.

By Mr. Carvell:

Q. Then the duty affects the price when it comes into Canada?—A. On the trucks manufactured in Canada?

Q. Yes?—A. Oh, yes, very materially.

Q. Is it the Russell car that sends out advertisements that you should buy in Canada and save the duty?—A. It saves some of it.

Q. Perhaps it is the Studebaker who advertise that you should buy in Canada and save the duty?—A. You save part of it.

By Hon. Mr. Reid:

Q. They have to pay a portion?—A. About \$500.

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By Mr. German:

Q. About \$500 would be the amount of duty they would have to pay?—A. Yes.

Q. Then that would leave the truck at \$4,100, with duty?—A. Simply regarding the truck as something you made no profit on; of course the duty actually enters into the cost of the truck, the same way as the cost of material does.

Q. So that they make a profit on the duty as well as the rest of it?—A. Yes.

Q. That is good information to get from a manufacturer, because that is a question that is very often discussed.—A. Well the money is tied up in it, no matter what it is for.

Q. Then if you allow the Gramm Company \$500 for duty you are still paying them \$400 more than you pay for the Peerless truck?—A. If you add the duty to the Peerless truck it will make it higher than \$4,600

Hon. Mr. REID: What is the price of the Peerless?

Mr. GERMAN: \$3,700, with duty of \$500, making \$4,200.

Hon. Mr. REID: The Peerless would be 35 per cent on the truck, and if you take it at \$3,700, it would be about a thousand dollars duty, so that it must have cost them probably \$4,700 with duty.

Mr. GERMAN: The truck is \$3,700, on the other side. That is the retail price, they do not pay duty on the retail price. How would that figure out?

WITNESS: There would be about a thousand dollars duty on the Peerless truck.

By Mr. Carvell:

Q. You stated it was what?—A. \$3,700.

Q. You did not pay duty on the \$3,700?—A. We would pay on about \$3,000.

Q. If you take the manufacturer's price and the duty it would be about \$4,000 landed here?—A. As against \$4,100 on the Peerless.

By Hon. Mr. Reid:

Q. They paid \$3,700?—A. Less 10.

By Mr. Carvell:

Q. That would be \$3,330.

By Hon. Mr. Reid:

Q. Then the duty would be about one thousand dollars, and that would be \$4,330?—A. And the Gramm was \$4,140.

By Mr. German:

Q. Now we will come down to your own company, the Russell Motor Car Company, Limited, from whom a large number of trucks were bought.—A. About one-third of them, 51.

Q. And outside of these 8 which were first purchased, the two-ton trucks, what was the size of the others?—A. The Jeffrey, a two-ton truck, list price \$2,750, less 10 per cent, \$2,475.

Q. On all of them?—A. Yes.

By Mr. Carvell:

Q. How many were there of the Jeffrey?—A. 26, four of them were delivered in Canada intended to be used in Canada, and duty was paid on them, but they were all on the same basis.

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By Mr. German:

Q. In this statement which has been put in here showing the concerns from which they were bought it states there were 35 Jeffrey trucks, is that right?—A. Yes, nine of them were to replace nine trucks drawn from Valcartier.

Q. Then we will cut out that nine for the moment, and take the first 26?—A. Yes.

Q. You say they were \$2,750 each less 10 per cent?—A. Yes.

Q. This statement shows that there was one Jeffrey truck at \$3,313, there were 22 at \$2,470.50, three at \$3,325; how do you explain that if they were to be \$2,750 with 10 per cent off?—A. Well there are four at the same price.

Q. There is no lot of four bought from Jeffrey in the first lot?—A. I do not mean in the first lot, three of them are \$3,350.

Q. Three, \$3,325?—A. And one at—

Q. \$3,313?—A. That is the four I refer to as being about \$3,300 each, those include duty paid into Canada.

By Hon. Mr. Reid:

Q. That would be \$2,750 plus the duty?—A. Yes.

By Mr. German:

Q. What about the 22?—A. The duty was not paid on those they went through, like the others, to the Old Country in bond.

Q. What about the nine at \$3,595?—A. That includes the body on them and duty paid delivered in Canada.

Q. And the money was paid through your company?—A. Yes.

Q. And you got these from the Jeffrey Company?—A. Yes.

Q. At what price?—A. At 15 and 10 per cent from the list price, equal to 24 per cent off.

By Hon. Mr. Reid:

Q. That is the Russell Motor Car Company?—A. Yes.

By Mr. German:

Q. And you put them in to the Government at that price, less 10 per cent off, so you made 14 per cent on the transaction?—A. Gross.

Q. And the total would be—or do you know what it was?—A. \$275 a machine on 35 machines.

Q. That would be \$9,625, if I calculate right, was the commission the Russell Motor Car Company made on these machines or the profit, that is right, is it?—A. Yes, the gross profit.

Q. Now then we will take the Williams and Son of Lindsay, who are they?—A. Agents for the Ford cars.

Q. They do not make or assemble them, they are simply agents?—A. I think so.

Q. Now they supplied 48 cars according to this statement, is that correct?—A. I could not say.

Q. Did you purchase them?—A. No.

Q. Who did?—A. They were purchased through the Department I think by the Minister and Director of Contracts.

Q. You think they were purchased by the Minister and the Director of Contracts?—A. I believe so.

By Hon. Mr. Reid:

Q. You had nothing to do with them?—A. No, when I learned that they were required for the First Contingent I spoke to the Minister about them and he said he would arrange to have them ordered.

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Q. Aren't you the man who placed the cars and knew what they were like?—A. Yes, I received 17 of them at Montreal and inspected them.

By Mr. Sharpe (Ontario):

Q. What sort of cars are they, trucks or passenger?—A. The ordinary five passenger Ford car; 17 of them afterwards went forward with the First Contingent, I loaded them at Montreal.

Q. Where were they shipped from?—A. I presume from the Ford factory to Montreal, I received them there, unloaded them and loaded them on the ship.

By Mr. German:

Q. What was the lowest price, if you know, of those 48 Ford cars supplied by Williams and Son?—A. I understood from a discussion with the Director of Contracts that he could not secure any reduction off the list price on the Ford cars from anybody, and they were bought at list prices.

Q. They were bought at list prices?—A. I understand that, I am not the original authority for that statement, I only know what I was informed.

By Mr. Sharpe (Ontario):

Q. And they were bought from this agent?—A. They were bought from this agent.

By Mr. Carvell:

Q. At list price?—A. I understood so, I am only repeating what I heard.

By Mr. German:

Q. From Williams & Son of Lindsay?—A. Yes.

Q. It states here that, "On each of the 12 Ford cars stationed at the divisional depots a rebate of \$200 is being given the Department; the old cars being returned to the company." I suppose that means there are 12 of these cars that were second hand?—A. I know nothing of it, I had nothing to do with the buying of them, nor with any subsequent business arrangement; I only inspected 17 of the cars which were received at Montreal and checked them up for equipment that was supposed to be on them according to the invoices.

Q. Where did the other 17 go to?—A. They had a lot of them at Valcartier for camp training purposes and for the use of different officers at the divisional headquarters, they were giving them motor cars.

Q. What became of them?—A. The ones at Valcartier?

Q. Yes?—A. I presume that allowance there has something to do with that.

Q. This is only 12, at the divisional depots, and they went into the scrap heap, I suppose?—A. I do not know, I cannot speculate, I do not know anything about it, I was not in Valcartier after the troops left.

Q. Where did the 17 go that you inspected?—A. They were all unloaded at Southampton and sent to Salisbury Plain. With regard to others I know nothing about them.

Q. You do not know what became of the 31?—A. No.

Q. And you do not know what this means, the rebate of \$200 on 12 cars stationed at divisional depots?—A. No.

Q. It would appear that they were second hand cars and this was deducted on account of that?—A. I do not believe that was the case.

Q. And did you have anything to do with the buying of these Bain heavy type wagons?—A. Yes.

Q. Did you purchase them?—A. Yes.

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Q. And were they invoiced direct to the Government?—A. Yes.

Q. At the price mentioned in this return?—A. I haven't seen the return, but I have copies of the invoices that I could check them by.

Q. They did not come through your company?—A. No, no, they were charged direct to the Government.

By Hon. Mr. Reid:

Q. There was no commission on them?—A. No, no, I bought all the wagons, I do not know why I should have done it, but I presume the Minister was anxious I should, and whatever prices were paid to the manufacturers were the prices charged to the Government, there was no commission or no agent to pay commission to.

Q. Or anything for your time?—A. Oh, no.

By Mr. German:

Q. They did not go through your company?—A. Oh, no, they were charged direct

By Hon. Mr. Reid:

Q. There was no commission on them?—A. No, I bought all the wagons. I do not know why I should have done it. I presume because I got the trucks moving along. Whatever prices were paid to the manufacturer there was no commission to any agent or me.

Q. Or anything for your time in doing so?—A. Nothing.

By Mr. German:

Q. There are various prices? \$110 is the price for the heavy wagons, the price for the light is \$80?—A. That is right.

Q. The prices average?—A. From \$110 to \$114 on the heavy.

Q. There are some at \$119?—A. That is the Port Arthur wagon. There were some changes in the body of it.

By Mr. Carvell:

Q. Are these wholesale or list price?—A. The wagons, as I understand it, are not sold on a discount basis, but I understood those to be good prices on it. Low prices, I do not know as to wholesale or retail on them.

By Hon. Mr. Reid:

Q. At all events, the amount you purchased them for they were supplied direct, and invoiced direct by them; and no commission or anything for your time or services was paid?—A. Absolutely none. Of course, the wagon was one of the troublesome things loading, and all that, too.

By the Chairman:

Q. Did you superintend that?—A. I superintended all of the transport at Montreal. I was there two weeks.

Q. Were you doing anything else at the time?—A. There was no other time; that was a day and night job.

Q. Was that whole two weeks confined to shipping wagons?—A. No, in loading and testing motor trucks.

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By Hon. Mr. Reid:

Q. In other words, the Russell Motor Car Co. were paying you for your time and expenses in connection with that?—A. While I was there. Is there anything else on the wagons, Mr. German?

Mr. GERMAN: No.

By Mr. Sharpe (Ontario):

Q. Was your remuneration increased by the Russell Motor Car Co. on account of this work?—A. No, I have been afraid it would be cut down, the way things are.

Q. I may say frankly that the Committee is very much surprised to find you received nothing, because everybody has been working for big commissions?—A. There was no misunderstanding between the Department or the Minister and me on the subject. I acted for him; I bought what I could from Canadian firms, bought it direct, with no commission to anybody. Any interest there was in it for me was that our company would get the business on an equal basis with anyone else.

Q. Was the amount of money paid for either the first or second lot sent direct?—A. Everything was sent direct, absolutely. I have the names and invoices here.

Q. Have you had any employment since the war broke out—are you not still with the Government?—A. In no way.

Q. Have you been?—A. At no time. I am helping in the training of 575 men at Toronto for the mechanical transport for the second contingent, but I do not draw any pay for it. I have had some experience in that work.

By Mr. Nickle:

Q. You worked out a certain policy that you thought was a wise one and consistently followed it throughout without personal remuneration to yourself?—A. Exactly.

Q. Your firm had no indirect advantage, and they were treated on the same terms as other companies?—A. That is exactly the situation as I tried to work it out.

By Mr. German:

Q. Now, we got through with the 35 trucks got by your company from the Jeffrey Co. Then we come to the 12 special trailers at \$1,175 each. From whom were they purchased?—A. From our company.

Q. \$1,175 is the list price?—A. The body was \$150 net, and the trailer \$1,000 subject to a discount of 20 per cent, so there was \$200 profit per machine on that.

Q. \$200 profit, for how many machines?—A. 12.

Q. \$300 profit?—A. \$200. Well, out of that came some freight charges, but that is approximately.

Q. On the 12 machines?—A. Yes.

Q. \$200 on each?—A. Yes.

Q. That would be \$2,400?

By Mr. Carvell:

Q. You do not manufacture these yourself?—A. No, except the bodies.

By Mr. German:

Q. Then there are 3 workshop bodies; what are they?—A. It is a body like that (showing illustration in catalogue) with the machinery inside.

Q. It is a large box made of metal?—A. It is a steel box with wire glass windows.

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By Hon. Mr. Reid:

Q. It is really a workshop on a truck?—A. It is mobile workshop.

By Mr. German:

Q. At \$3,500 each?—A. That is \$3,500 less 10 per cent. The 10 per cent is not shown on your statement perhaps.

Q. Was it less 10 per cent sold to the Government?—A. Yes.

Q. That would be \$350 off?—A. \$3,150.

Q. Is that your list price?—A. \$3,500 would be the list price.

Q. And you took off 10 per cent. What would that be?—A. \$3,150. There is hardly any wholesale or retail on that; it is a matter of working out a special job.

Q. That is a new truck?—A. Never was made in this country before.

Q. I apprehend that would be the case. So you had no list prices in regard to that, because there was no style?—A. No price would be set until it was built.

Q. I understand. You did not make a loss on it, I suppose?—A. I do not mind telling exactly what it cost. The actual factory cost was \$2,500; our cost of administration is 10 per cent, which would be \$300. That machine cost \$2,800.

By Mr. Kyte:

Q. And you sold it for?—A. \$3,150.

By Mr. German:

Q. The next is 126 motor truck bodies at \$270 each. There is another for which you have a list price?—A. There was no design. It is a special design shown in that book which is being looked at here (referring to catalogue). I had to have our engineers work out the technicalities. The actual cost price of those was \$240.

Q. Now, we come to 25 $3\frac{1}{2}$ -ton Kelly-Springfield trucks at \$3,105 each. Was that the Kelly-Springfield Co.'s list price?—A. No, their list price is \$3,400.

By Hon. Mr. Reid:

Q. \$3,400?—A. I think that price should be, Mr. German \$3,060.

Q. 10 per cent off would make that.—A. That is what it was, whatever it is there.

By Mr. German:

Q. What did you say the list price was?—A. \$3,400.

By Hon. Mr. Reid:

Q. Is that in the United States?—A. That is in the United States.

By Mr. Carvell:

Q. Less 10 per cent, is it?—A. Yes.

By Mr. German:

Q. That is \$3,060. How does this list come to be so incorrect?

Hon. Mr. REID: What does the statement say?

Mr. GERMAN: It says: 25 $3\frac{1}{2}$ -ton Kelly-Springfield trucks at \$3,105. I am reading from the statement put in by Mr. McQuarrie and sworn to by him.

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By Mr. Carvell:

Q. Does that include the freight?—A. The freight should not appear there.

Mr. GERMAN: Here is a return from the Department, or an answer to a question, it is really in the nature of a return, which says: Kelly-Springfield, 3½-ton, \$3,105.

Hon. Mr. REID: It may possibly be freight.

Mr. NICKLE: Mr. McQuarrie is here.

Hon. Mr. REID: That might include \$45 freight.

Mr. GERMAN: It is not very much of a difference.

The WITNESS: I think I can perhaps find it in a moment (looks among papers).

By Mr. German:

Q. What did your company pay the Kelly-Springfield Co. for these trucks?—A. 25 per cent from list price \$2,550.

Mr. GERMAN: And they were put in to the Government at the list price less 10 per cent.

Hon. Mr. REID: That is 15 per cent profit.

By Mr. Carvell:

Q. How much did they make per machine?—A. \$500.

By Mr. German:

Q. Total profit \$12,500. Then there is 8 delivery wagons model R at \$1,650 each. Were they your own manufacture?—A. Yes.

Q. You manufactured those yourselves?—A. Yes.

Q. And was that the list price?—A. No, the list price was \$2,400.

Q. And you put them in to the Government at \$1,650?—A. Yes.

By Mr. Nickle:

Q. Why did you not put the Russell cars in at 10 per cent increase? The Kelly-Springfield you got at 25 per cent off; you turned them in at 10 per cent off. Your profit was 15 per cent. How do you explain that?—A. Our company had made an arrangement to be agents of the Kelly Co. in Canada, and had no arrangement at that time. They submitted a truck to me for test to arrange for assembling in Canada.

Q. Therefore they had to be bought through you?—A. Through our company.

Q. Through the Russell Motor Car Co.

By Mr. Sharpe (Ontario):

Q. Was that arrangement made before or after you were agents?—A. It was made by me, or by our company with them. We started about the middle of August, thinking the pleasure car business would be light, to try and make arrangements to build a truck in Canada. And after an investigation our manager reported on the Jeffrey truck and the 3½-ton Kelly and made arrangements for building them in Canada.

Q. That does not answer my question?—A. It was simply that I bought the first lot before I was appointed to buy the second.

By Mr. Boys:

Q. You received the second appointment about the 2nd September; was it before that?—A. It was before that.

By Mr. German:

Q. Now the delivery wagons, you say 8 of them, they were put in at the discount of—A. \$1,650 at a flat price.

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Q. The 7 5-passenger cars, these were your regular cars?—A. I can clean up that Springfield. That was an extra on them for a top.

Q. Very well. Now the 7 5-passenger cars, these were regular?—A. With some extra equipment.

Q. Less 20 per cent or 10 per cent?—A. Less 20 per cent with an arrangement for drawback of duty, subsequently altered to 10 per cent the same as all others with the agreement that no application would be made for refund of duty.

Q. These are your own cars?—A. These are our own manufacture.

Q. That was part of the profits, I suppose?—A. Ordinary profits.

By Mr. Carvell:

Q. That is the list price less 10 per cent was it?—A. Yes.

By Mr. German:

Q. And one motor ambulance at \$4,500 which you built yourself?—A. I did not purchase that, the Company sold it to the Department.

Q. You built it yourself?—A. Yes.

Q. And as far as I see, Mr. Russell, there were three transactions of which you have given figures; yourself or your Company made \$24,525?—A. Something like that.

By Mr. Carvell:

Q. And in addition to that you have a profit of I think you said, \$5,600 on 18 trucks you sold them at the first over and above what you sold to the trade?—A. Over and above what we sell to the trade.

Q. That is right, is it?—A. If those figures are correct.

By Mr. German:

Q. These figures you have before total \$24,525 and added to that is \$5,600?—A. Yes.

Q. There will be a total of \$30,125?—A. Yes.

By Mr. Carvell:

Q. You sold eight 2-ton trucks yourself to the Government that you manufactured yourself?—A. Yes.

Q. And did you get any other rebate of duty on these?—A. No.

Q. And you have stated already that you got no rebate on 7 five-passenger cars?—A. No.

Q. Did your Company get any rebate of duty on any articles which you sold to the Department?—A. None.

Q. Will you tell me who are the officers as far as you know of the Ontario Motor Car Company?—A. I do not know their officers, I know their manager, Mr. M. A. Kennedy, of Toronto.

Q. Now do you know the personnel of William & Son, Lindsay?—A. No.

Q. Do you know whether Madison Williams is a member of that firm or not?—A. I don't know anything of them at first hand and I didn't have any dealings with them.

By Mr. Boys:

Q. You explained that your firm's gross profits were about \$30,000?—A. Yes.

Q. What were your total sales?—A. About \$300,000.

Q. So that the gross profits were about 10 per cent?—A. Just about that.

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By Mr. Carvell:

Q. That is over and above as far as your own sales were concerned, what you would have sold to the trade?

Mr. Boys: That is the gross profit of the entire sales.

By Mr. Boys:

Q. Let us have this understood that the profit on a total of \$300,000 was ten per cent gross?—A. Yes.

Q. What other profits, if any, did your Company make outside of that?—A. On the purchases I had anything to do with.

Q. Yes. We don't want details you can give it in a lump sum?—A. I think Mr. German covered everything that we had any interest in, with the exception of the supply of all accessories that went with each truck. If you have the book there it shows the number of lamps and all that sort of thing.

Q. Can you tell us approximately?—A. Not exactly; all this equipment, including non-skid chains, tow ropes, shovels, crowbar, etc., and all that sort of miscellaneous equipment secured for the total number of trucks cost in actual outlay \$29,700 and it was sold to the Government for \$35,700.

Q. That figures \$6,000?—A. Yes. But that included receiving it and breaking up and putting it into the box on each truck, including attaching the head lamp to the truck, fitting chains to the trucks and painting, lamps, etc., all that sort of thing. In that Department our average expenses of administration is 10 per cent, so that we had only 6 per cent on the handling of the trucks.

Q. These are two items. Are there any other items?—A. No.

Q. Let us understand exactly what you did for the profits outside the oversea trucks and accessories that you have mentioned?—A. What did I do. I was working all the time in the organization of the whole army transport for the First Contingent. There was no information available except that 134 trucks were wanted; nothing as to the size of bodies, equipment or design of the bodies. Our engineers worked out the design of the bodies and did it so successfully that when I submitted my report to General Alderson before I left England and asked him if there was a single change he could suggest he said, No, and referred me to the War office. I asked if there was any change he could suggest, and he said, Nothing; make the others the same as you did those. I also worked out plans before I left England and asked the Director of Transport at the War Office if he had any change to suggest and he replied that he had none and instructed me to make the others exactly the same as those that went over.

Q. What time did you spend on this work?—A. I spent about three months, and worked steadily upon this work from the time I undertook this until they were despatched. I may say that while I was instructed to get them ready on 22nd September, the last boat sailed out of Montreal with every car complete on the 27th of September and that when they arrived on the other side I was there to receive them. We saved in that one bunch some \$20,000 to the Government in the method of shipping these cars. Formerly it was the practice to crate every car at a cost of \$75 to \$100 per car, depending upon how well they were crated. The cost of crating every one of these trucks would be over \$20,000. After looking them over and after going through every ship that was to be used, I decided not to crate any of them and by devoting a great deal of thought and trouble to them, I put them into the holds and packed them in bales of hay and lifted out the 141 trucks on the other side, without a mishap, thereby saving \$20,000 in that one item of packing alone.

Q. Outside yourself were there any others employees engaged in the work?—A. Our factory manager practically gave all his time, the engineer was the same and the Manager of the Accessory Department was practically two weeks on this work together.

Q. Were there any other men employed?—A. Eight men were two weeks in Montreal, we were all there with the exception of three men who were painting the different parts of the truck such as painting, etc.

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Q. How came you to cross the ocean in connection with the loading or unloading of these trucks?—A. The officials of the Department simply remarked how much stuff there was, practically 200 motive power vehicles representing half a million dollars of capital invested and that some one ought to go over. I mentioned the fact to the Minister that there ought to be a mechanic go over to see that they were properly unloaded on the other side. He asked me if I would not go and after I discussed it with our Board I went over.

Q. You stated that you got your transportation across one way?—A. One way.

Q. Outside of that did you receive anything for your time or expenses either you or your Company?—A. Neither.

Q. You have been asked from time to time about the expenses or profits on various things, I would like to put a general question to you. From the beginning to the end, which I think you said was 14th August down to the present time, outside of what your Company, the Russell Motor & Car Company, have made in the sale of trucks and other appliances have you, on your oath, received anything by way of commission expenses, or otherwise?—A. No—not a cent.

Q. Now, then, I want also to ask you one more question of the trucks which your firm manufactured and shipped or for the trucks which you purchased for the department, how have they met the conditions on the other side and the specifications?—A. We submitted the machines which went to England; the Russell Motor and Car Company supplied seven touring cars, and this, I think, is one of the greatest tributes our company has ever had, those seven cars went to France with the contingent. These cars had received rough usage having been used in training the troops; they took our seven touring cars from every day service in the mud and standing in the open and sent them to the front. I have pictures showing what they looked like.

Q. Have you had any complaint regarding them?—A. I haven't had a complaint. I was there two months and observed them personally. Regarding the other trucks, the Jeffrey truck which our company supplied I would just like to read the report made on them by the transport officer of the British War Office.

Mr. Boys: It is good to know that the goods gone from Canada have proved satisfactory.

By Mr. German:

Q. I would like to hear it put on record.—A. I really think that this car—because if there is one thing which impressed the British people when the contingent arrived it was the mechanical transport; and the reports which have come back—I have the clippings with me—are most complimentary to us. I was only going to read from this report. It says: (Reads)—

The Peerless and the Jeffrey lorries in particular appear adapted to our requirements and are recommended for purchase by the War Department.

This is one of those supplied by our company. The other was the Kelly truck.

By Mr. Carvell:

Q. What did they say about that?—A. (Reads)—

The results in the case of the Kelly machine were disappointing. The failure of these vehicles to climb hills appears to be due rather to some lesser defects such as a faulty carbureter adjustment rather than a structural fault as the vehicles have large engines, and a fairly low gear ratio, and otherwise appeared of good construction—the brakes were good, hand and foot.

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By Mr. Sharpe (Ontario):

Q. Who made that report?—A. This is a report made by the man in charge of the mechanical transport tests for the War Office.. I submitted that together with a complete report on the whole transport to the Minister on our return.

By Mr. Carvell:

Q. Would you give us a report of the Gramm?

By Mr. Boys:

Q. The only thing specifically referred to is the carbureter. Has there been any change?—A. I could not tell what is the matter with those trucks in the list. I do not think there was anything the matter with the carbureter other than just an improper adjustment against which it struggled. I thought the Kelly machine had performed splendidly all through except one hill and it failed to feed the gasoline properly.

By Hon. Mr. Reid:

Q. Have you received any other reports since from the War Office?—A. No, there would not be any more; the other reports are my own reports.

By Mr. Carvell:

Q. What does it say about the Gramm?—A. (Reads):

The Gramm vehicles were loaded with 3-tons each but had difficulty with hills. These machines had good brakes, the general construction is good, and if classified and employed as 2-ton vehicles would be capable of useful service.

Q. You said that the Packard was good?—A. We had not any Packards over there. They were just at Valcartier. They were only 2-ton machines and they did not take any over.

Q. And the Pierce Arrow?—A. They did not go over.

Q. Only the White and your own and the Gramm?

By Mr. Sharpe (Ontario):

Q. In what capacity was Mr. McQuarrie acting with you?—A. We acted together in the purchase of the first 25. In the purchase of the rest he had been employed giving his time at Valcartier and was not with me at all on the purchase and shipment of the largest number required for the second contingent.

Q. Did he get any commissions in connection with the purchase?—A. I believe not a cent. To my knowledge there is absolutely nothing in any shape or form.

By Mr. Carvell:

Q. Mr. McQuarrie stated he was in a different position prior to August 4th. My recollection is that Mr. McQuarrie did sell some?—A. That is correct. That is, he sold these 8 light trucks to the Government on our behalf.

Q. That is what I thought?—A. These were sold before the 14th August, and these 8 trucks which were sold on the 14th August.

Q. Those were the 8 trucks at \$3,500?—A. And the 8 at \$1,650.

Q. What commission did he get out of that?—A. Four per cent.

Q. One other question: Have you a report there of what became of those different trucks after they went to Salisbury. You say 8 touring cars went to France?—A. So I have been told.

Q. What about the others?—A. My information is that the Kelly, Peerless and White machines went to the front, that the Gramm machines did not, nor the Jeffreys, because the Jeffreys were 2-ton and they were taking only 3-ton and greater capacity to the front.

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By Mr. German:

Q. Now you also supplied the Department or they were supplied through you, with motor cycles?—A. No.

Q. No motor cycles?—A. No. In these instructions which the Minister gave me I was supposed to purchase 16 motor cycles, but the Department had already arrangements made for purchasing motor cycles and I had plenty to do and I did not interfere with it; and they were not bought, any of them, from our Company.

Q. There was just one question Mr. Boys asked you about profits. In these figures I did not include your trade profits on machines that you had manufactured yourselves. You had a legitimate trade profit on the machines, the wholesale profit on machines that you manufactured and sold yourselves. That is not included in this. You agree with that?—A. Yes. Except in these touring cars the price they were sold does not represent any profit.

By Mr. Sharpe (Ontario):

Q. The representative of Hyslop Bros. was here the other day, and said he could have furnished bicycles at a lower price than your firm. Clear that up. What did you sell for?—A. I want to make clear first that I had not any dual relation with regard to it. I had nothing to do with the purchase of the bicycles. I will give you the particulars.

Q. I suppose you have read the evidence?—A. Saw it in a newspaper out west. I guess I know enough about it. (Consults notes.) The history of the bicycle situation is very briefly this. The question was opened in October 11th, 1912, by the Militia Department with the possibility of some bicycles being required by the Canadian Militia. We got a sample of the British War Office bicycle out, and I believe the Government got one too. We submitted samples of ours to the inspector of carriages, Colonel Hurdman, and he was not satisfied, in fact was very picky about a number of items, as to tubings, reinforcement, the steel string used in the gunholder and that sort of thing. Finally, however, we submitted a bicycle which was satisfactory to him. That was about November 22nd, 1912. On December 3rd, 1912, we submitted a quotation of \$62 for it, including extra equipment. No order was forthcoming.

Q. What year was that?—A. 1912, two years ago. This whole question was up two years ago. When the war broke out, on August 15th, 1914, we had a wire from the Director of Contracts, asking for quotations on 275 bicycles and how soon we could deliver? We simply renewed the price previously quoted, \$62, delivery 50 in ten days, and 50 per day thereafter. That was on August 17th. On the same date we received an order to go ahead with them. On September 10, we had an order for 20 more, to be delivered by 15th inst., five days afterwards. On September 12, we got an order for 107 bicycles to be delivered on the 21st, nine days afterwards, without fail. On September 18th, we received an order for 20 bicycles to be delivered on the 21st, three days afterwards. On the 22nd, 9 more were ordered to be delivered on the 24th, two days afterwards. On the 23rd, 9 more were ordered, to be delivered the same day. They were delivered the same day, as a matter of fact.

Q. Who gave the orders?—A. The Director of Contracts in the regular way. We hustled through and made these bicycles. There was a lot of night work; we had to get permission to run on Sundays. The gentleman who was here the other day said they did substantially the same work as us with the exception of one or two operations. There was never any more misleading statement made by anybody. We build every part of the bicycle: we make the crank, the crank brackets, the spokes, the hubs, brakes, guards and handle bars. Every part of our factory is open for inspection. We finished these bicycles, and when they were finished they cost us \$46.60.

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By Hon. Mr. Reid:

Q. Did that price include overhead?—A. \$6.20 of overhead charges. We notified the Department we would undertake the next order at \$55. When the second order came forward, we notified them if they could place the order in a definite way we would make a further reduction below \$55. As far as bicycles are concerned, I do not want to say anything about the other man's product. Hyslop Bros. have been in the bicycle business longer than our company. They have for years been advertising the best bicycle to be had for \$30. Yet, we do ten times the bicycle business that they do in this country.

By Mr. Boys:

Q. At what price?—A. Their price is about one-half to two-thirds that of the bicycles made by our company, and yet the bicycle dealers buy ours. Why? Because they know that the bicycles last and that there is no better bicycle made. When the Australian contingent went forward in this fight, in open competition with the bicycles made in the United States, and in open competition with them, the Australians went forward with Canadian bicycles made in our factory. There is some reason for that.

By Mr. Carvell:

Q. How many did you fill on the second order?—A. 370.

Q. And you had 275 at \$62?—A. No, it would add up to about 450. When all the orders got in, it would be 450 altogether for the first contingent.

Q. And how many for the second contingent?—A. We supplied 370 at \$55.

Q. And you say that the cost, including \$6 for overhead expenses, was \$46.60?—A. 25 per cent profit on the selling price.

Q. That would leave \$18.40 profit?—A. Yes.

Q. And on the second lot you would have \$8.40?—A. We reduced our cost on the next ones by \$3, because we charged the tools against the first lot.

Q. You reduced the cost to—A. \$43.60.

Q. And you sold them at \$55. That would be \$11.40 profit.

By Mr. Boys:

Q. You offered to further reduce that price if they would give you a definite order?—A. Yes. Bicycles are like watches. In England you can buy them all the way from three guineas to ten guineas. It is a ten guinea bicycle the War Office use.

By Hon. Mr. Reid:

Q. They were special bicycles you supplied?—A. In some particulars, yes.

By Mr. Carvell:

Q. We had a gentleman here last week, a Major Thomas. Do you know the gentleman?—A. Very well.

Q. He says in buying trucks for the second contingent he saved the Government \$180,000 as compared with what was purchased for the first contingent. I think in round numbers he said that he saved \$750 or thereabout on each of these Kelly-Springfield motor trucks. What do you say about that? You say that your profit on each of these was \$500?—A. I presume Major Thomas would not make a statement like that without having some ground for it. But I think perhaps it would be well for him to wait and get his equipment together and shipped, and the cost totalled up, before he makes the statement that he would save \$180,000. This is a bigger job than most men understand, getting together a mechanical transport. In Major Thomas you have an experienced engineer, and yet in getting this together he has been on a job for four months, and there is not a truck ready to ship to-day. We have had them six

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weeks in Ottawa, a place rented, and they are not ready yet. The bodies are not built for them, I understand. I do not believe these costs will be known until they are sent across.

By Mr. German:

Q. They were built, but built wrong?—A. I do not believe any one could make that statement. Mr. Thomas has saved \$510 on the Kelly truck. Whether any one else buying would have got lower prices than for the first, I believe that. I think that goes without doubt. But I do not believe that when the bills are totalled up, and this second contingent gets to the place where the first one is that there will be a saving of half of \$180,000. And ours were got ready in three weeks; there were no mistakes in bodies, no mistakes in anything else; they moved out ready to do business; and they were there at Plymouth and Salisbury when they were wanted.

By Mr. Carvell:

Q. I only wanted to give you the opportunity of answering the statements made.—A. Of course, there is one thing on which I do not think there is a fair comparison. The Gramm truck bought at \$4,600 in Canada carried \$500 of duty. It is not fair to compare that against the United States truck, which has paid no duty into the revenue of this country. And the same with the Russell car: the Russell car has paid in raw materials of various kinds thousands of dollars in duty. There was no drawback allowed on them. There was no drawback allowed on the material in the cars. Unless these are taken into account, it is not a fair comparison. I did not bother about technicalities. The Government of the country stay in the same position no matter whether the drawback is received or not.

Mr. CARVELL: We are glad to have this on record, because we are going to ask Major Thomas to itemize this saving. If you have any other comparisons we would like to hear them.

By Mr. Sharpe (Ont.):

Q. Was there dissatisfaction expressed with your work by your competitors?—A. I went to England at the request of the Minister, expecting to be there about two or three weeks? Instead of that I finally stayed three months. When I came back the work of purchasing had to be gone on with. —I never have regarded it as a possible continuing arrangement that I should stay as the purchasing representative of the Government. I do believe this, that there wasn't another man in Canada who could have done what I did about it, not because it is me, but because I have a trained organization that I could call in and put to work on it. It was impossible for me to continue unless I sacrificed the business of our company and said they should supply nothing, because no matter what I supplied, objections could be raised as long as I was connected with them. I didn't get any commission, and if you have any questions to ask I will be glad to answer them, because there is nothing I have to hide.

The CHAIRMAN: I think I may compliment you on the very clear and concise way you have given evidence, and I think I express the sentiments of the Committee when I say that you had your work at your fingers' tips; you knew what you were talking about, and whether they agree with it or whether they do not I think they take the same view I have expressed. I think it is only right that I should say that.

Mr. GERMAN: He gave his evidence in first class shape.

Witness retired.

Committee adjourned.

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APPENDIX No. 3

HOUSE OF COMMONS,
Room 210,

TUESDAY, March 30, 1915.

The Select Standing Committee on Public Accounts met at 11 a.m., Mr. Morphy presiding, in the absence of Mr. Middlebro, Chairman.

The Committee proceeded to the further consideration of "Sessional Paper numbered 122 of the present session of Parliament and all other papers in relation thereto, being copies of correspondence between the Auditor General and the Department of Militia and other departments of the Government, laid upon the table of the House in respect to expenditures under the War Appropriation Act" referred to them by the House.

LT.-COLONEL HURDMAN, recalled.

By the Chairman:

Q. What is your position?—A. Inspector in the Militia Department of carriages and military stores, technical stores of all descriptions.

Q. How long have you been in that position?—A. I have been premanently employed in the position since 1907.

Q. Have you anything to say to this Committee regarding statements that have been made?—A. I have, certainly. I would like to say regarding the statement of Mr. G. C. Hurdman in letters written by him in reference to motor trucks—

Q. Can you define those statements?—A. I do not know that I can, definitely, any more than in reference to the statement in a letter about General Hughes. I might say that one morning, coming up in the car to my office, I had the morning paper and there was in it an item under a heading stating that an order for trucks had been placed with the Russell Motor Company by General Hughes.

Q. That is the item that was referred to here?—A. Yes, he said something about that, I am referring to Mr. G. C. Hurdman, he said there is an item in the paper about ordering trucks; I do not know anything more about it. As to the statement about General Hughes acting contrary to the wishes of the purchasing Committee, I know nothing about it, in any shape or form.

Q. Do you deny that statement?—A. I certainly do.

The CHAIRMAN: I have no desire to examine this witness; I am only helping the inquiry along.

Mr. BENNETT (Simcoe): Let him see the letter; he is only speaking from memory.

The WITNESS: I might say that I have nothing whatsoever in any shape or form to do with the purchasing of supplies, nothing whatsoever; and that the only way that I got in the truck business at all was a telegram sent out by order of the Minister to all parties making trucks, signed by me. Therefore my name came before all the truck manufacturers because I signed the telegram.

By the Chairman:

Q. What is the telegram?—A. (Reads):

November 23, 1914.

Wire your lowest price at once f.o.b. factory for thirty or more three-ton motor truck chassis, delivery in thirty days. Will only deal direct with manufacturers and will not pay any agent or brokers commission.

Lt.-Colonel W. G. HURDMAN,

Inspector of Carriages.

Department of Militia and Defence.

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By Mr. Carvell:

Q. This transaction was all over with and they were gone—A. I know nothing whatever of the first; this is the second lot.

By the Chairman:

Q. Did you wire the Stegeman Motor Car Co. Where are they?—A. Milwaukee, Wis. And they sent their quotation, and this is a copy of what was on file.

Q. Did you meet Mr. Millmann?—A. He may have called at my office. There was so many that called I do not know. Any that called to see me I told them that there was a commission appointed for that purpose, and what prices were submitted I submitted them to the commission. I might take the question,—if you have not the letters I think I can go on—regarding the statement in one of Mr. G. C. Hurdman's letters with reference to Continental motors. Now, I know that the question of Continental motors was not considered nor would not be considered by the commission, for the simple reason that Continental motors "E" model had gone bad in Salisbury. And Mr. Hurdman called me up on the phone; that is the only conversation I think I remember of having outside of just the remark on the car, saying that he was interested in a firm. which were making trucks of the same standard and using Continental motors.

Q. Who was interested?—A. G. C. Hurdman was interested with a party who was connected with a pool who could take the whole order and handle it, and they used Continental motors. I then told him, just as I have already said, that I knew Continental motors would not be considered as they had gone bad at Salisbury, the crank shaft was too light. That was a phone conversation and the sum and substance of the whole thing. I told him that I had nothing whatsoever to do with the purchasing.

Q. Before you come to that, how often did G. C. Hurdman see you?—A. I do not think he spoke to me in reference to motor trucks except regarding the item in the Citizen on the car, and this phone message.

Q. Was there any conversation between you and him with regard to any other person?—A. He never mentioned that to me at all. Using my name was without any authority in any shape or form. In fact, I now know questions have been asked me about information given out, and I have not given out information in any shape or form. It is the comeback from these letters. It is quite evident he was writing these people to come along and see what was in it.

Q. Now, these are the letters (hands to witness)?—A. This is the letter about the newspaper item. Now, with reference to that, I—

Q. To what?—A. I know nothing about the purchase. But with reference to the statement in this letter to the effect that I informed Mr. Hurdman "that the order had been placed yesterday by Major General Hughes in opposition to the advice given him by the Board of Experts," the advice of the Board of Experts which is in the report is practically uniform and recommends the purchase of those trucks for a four wheel drive in the cars that this refers to.

Q. It could not legally be said?—A. No, because this is the direct opposite to what the truth was of the statement. I give you extracts from it.

Q. Do you wish to charge in that letter Mr. Hurdman has made a misstatement of the true facts?—A. He certainly has.

Q. Have you and he been friendly?—A. Friendly enough to speak to each other. We seldom meet; we have no business connections or dealings in any shape or form.

Q. Had he ever gone to you before in connection with the sale of anything in connection with your inspection?—A. He had on binoculars.

By Mr. Carvell:

Q. Perhaps you would read that report, the report of the Board of Experts?—A. It is just the draft copy I have here; it is on record. The report is dated November
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25, 1914. There is a paragraph here regarding Four Wheel Drive Trucks Armoured, 40 to be ordered for carrying machine guns. (Reads)—

As this matter had already been investigated in connection with the machine gun batteries being organized and paid for by public spirited Canadian citizens, and as a considerable number of Jeffrey motor four wheel drive trucks had already been ordered by them, your Committee after examination, decided to recommend the adoption, for the balance of these trucks now required by the Department, of the same model and kind of truck as above mentioned..

Q. That is the Jeffreys?—A. This is the one that this letter, that this extract from the paper has reference to, and where he writes the very opposite against the Committee. I have not the purchasing to do. This is the Committee that dealt with motor trucks, the recommendation of the experts. Major Thomas is the expert.

Q. Then you bought no Jeffreys since that date?—A. I do not know. There are the 40 Jeffreys which had been fitted up for machine guns.

Q. Since that date?—A. No, that is the same time, the same lot this refers to. I do not know anything about the purchasing at all.

Q. My recollection is that all the motor trucks have been purchased since that date, except 150 Kelly?—A. These have come in since that date.

The CHAIRMAN: Go on Colonel Hurdman.

By Mr. Carvell:

. Do you know whether the Department acted upon that report and purchased Jeffreys?

By Hon. Mr. Reid:

Q. I did not catch what it is, purchased what?—A. Jeffrey trucks.

Q. How many do they say?—A. 40. These are for the machine gun armoured trucks.

HON. MR. REID: That would not be the kind of trucks that you mean; this is the armoured machine guns. It is a different truck altogether. This one is for transport, and the other is a truck to carry guns.

MR. CARVELL: I am quite well aware of the difference, but I could not understand; the witness says, as I understand it, Mr. Hurdman's letter said, that they had objected to Continental motors.

The WITNESS: That is another letter.

MR. CARVELL: That is another transaction?

The WITNESS: Another transaction.

MR. CARVELL: We will come to that later on.

By the Chairman:

Q. Go on?—A. I think that is all I should say in reference to the armoured trucks. Now, there is another letter here, which commences: "I have your letter of the 1st inst."

Q. What date is this letter, and to whom is it?—A. December 4, 1914, to Joseph Millmann.

Q. Written by?—A. G. C. Hurdman.

Q. What do you complain of in that letter?—A. I complain that he makes the statement here as follows: (Reads)

"I enclose herewith a clipping from this morning's paper, which the Colonel advised me there is no foundation for, so far as he knows it is in direct opposition to the report put in by the Advisory Board, and that Board, he further states, were unanimous. The arguments set forth by the Board were so strong in favour of putting in machines using Continental engines and similar gears

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so that the parts would be interchangeable, that he cannot conceive if it would be possible for the Purchasing Board to depart from their recommendation. I have no direct information as to what the Purchasing Board may have done in the last few hours. I have however a very close friend through whom I can get all this information and will endeavour to reach him some time to-day.

He there mentions two different boards. Now, this is in direct opposition to the recommendation of the Committee. They would have nothing whatsoever to do with Continental motors, and they recommend Kelly-Springfield, which is not a Continental motor. The trouble with the Continental is a light crank shaft and the brake. So I could not mislead him. When he called me on the phone, I told him exactly as I state now that they could not consider Continental motors.

By Mr. Rhodes:

Q. Who called?—A. G. C. Hurdman.

Q. Do I understand you to say that the statement in that letter is the direct opposite of the facts?—A. The direct opposite of the facts.

By Mr. Nickle:

Q. He had approached you in that connection?—A. He called me once.

Q. By calling you on the phone?—A. He called me up on the phone.

Q. And you did give him some information?—A. I gave him the information that Continental motors, when he mentioned them, that they would not be considered at all.

Q. Could that be considered advance information?—A. It was published, and it was out.

Q. Was it out at the time he called you?—A. This is December 4th, and the report is November 25th. It had been in the papers.

Q. If it were in the papers, why he should call you?—A. I do not know, I am sure. I have no idea.

By Mr. Carvell:

Q. Now, will you please read that report where it refers to Continental motors?—A. There is nothing about Continental motors in the report, but the report recommends the Kelly-Springfield which has not a Continental motor.

Q. Just read the report, that portion of it?—A. (Reads)

First. At the outset your commission laid down four principles: that as far as possible, trucks and wagons should be standardized so as to have the parts interchangeable, this being in their opinion necessary to ensure economy and efficiency. The advantages of this are readily apparent for the following reasons:

(a) By adopting only one design or type and making it standard, a considerable saving is effected in the cost;

(b) The parts being standardized and interchangeable make it unnecessary to carry such a large stock of parts for repairs, and if the trucks or wagons are damaged the good parts can always be utilized for repairs or assembled again as new units;

(c) There being but one type or model "especially in motor trucks," renders it easier to get or teach mechanics capable of repairing them, and also easier to teach men to operate them as must be the case where so many chauffeurs are required and the supply so difficult to obtain.

Second. That in a time when unemployment is so prevalent, it was desirable to have all or as much as possible for this work done in Canadian factories in order to furnish work to Canadian citizens.

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This is where it comes in, about assembling them in Canada. (Reads):

Motor Trucks.—In dealing with motor trucks, however, it was an entirely different and a most difficult proposition, for the reason that motor trucks are not made in Canada, and we were confronted with over seventy different kind of motor trucks, all of United States manufacture, but nearly all being represented in Canada by well-known and reputable Canadian citizens.

After five long days of conference with the representatives of the different makers, the commission was finally forced to the conclusion, that, in the best interest of the country, and in fairness to the gallant men that are fighting our battles at the front, whose lives often depend upon just such things as the proper performance of motor trucks in bringing up ammunition and supplies, it was imperative upon them to recommend the adoption of one, and only one type of motor truck, which should hereafter become the standard truck of our Militia Force, and known as "The Canadian Service Motor Truck Mark 1."

By the Chairman:

Q. That has all been read before?—A. Yes, practically the same thing.

Mr. CARVELL: When was it read? I would like to hear this report read.

The CHAIRMAN: That was read here before.

Mr. CARVELL: I would like to have it read.—A. (Reads):

(a) As already stated, this will ensure a very considerable saving in the cost of these trucks, and this saving will be materially increased when our own manufacturers begin to make the parts in Canada (as they can and probably will do) instead of importing them from foreign countries as is now the custom of the trade;

(b) There being only one type or model, and that having all parts interchangeable, it follows that great economy must obtain not only in carrying a stock of parts for repairs, but of time and skill necessary to be able to repair only one type of machine quickly and well, instead of their having to master the details and intricacies of a dozen or more different types;

(c) By adopting one standard army motor truck a great deal more of the work will be done on them by Canadian workmen in Canadian factories than if they were purchased from the Canadian Agents of foreign manufacturers.

Your Commission have worked out a proposition and made tentative arrangements in regard to the Standard Army Truck they recommend, by which the following work will be done in Canada and a very large saving in price effected:

(a) The bodies and tops of all these motor trucks will be made in Canada. With certain improvements which we think will considerably increase the efficiency and life, "the Commission recommend the same type of body and top as has been adopted by the French Army, and for which large orders have already been placed by their Government in the United States.

These bodies are both interchangeable and economical, and will, we consider, stand the test of hard campaign work better than any others that we have been able to find.

A sample of this body is now on exhibition in the Department for examination by the Contractors. The price in the United States, and which has been paid by the French and Russian Governments for these bodies, is \$175. We have been able to obtain tenders from our own Canadian manufacturers for the improved body of this type that we are recommending at a price of \$168, which we recommend to your Department, the orders to be distributed as given elsewhere in this report.

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Then the report goes on to deal with workshop and store tool trucks and rubber tires etc., (reads):—

Your Commission have had the benefit of the experience of the Service reports regarding the various types of motor trucks now in use by the Allied Armies in Europe, which have been of considerable benefit to us in considering the selection of one single type of motor for the Canadian service. This, combined with the fact that there are at present a considerable number of the Kelly Springfield Motor Trucks now in use with the 1st Contingent and in the French Army, finally decided us that this type would, all things considered, be the best and most economical for adoption by the Department as its Standard Army Truck.

Q. Is that all about the motors?—A. That is all about the motor trucks. Therefore the statement in his letter is directly contrary to what that report states. I do not think I can say anything more about that, now I will take up the binoculars.

By the Chairman:

Q. What have you to say about the binoculars?—A. I suppose I had better start out on this binocular business with Mr. G. C. Hurdman.

The CHAIRMAN: Make it as short as you can.

The WITNESS: As I stated previously I have nothing whatsoever to do in the ordering in any shape, manner, or form, of binoculars, or as to the price paid. I have nothing whatever to do with that in any shape; my duty is to inspect them.

By Mr. Nickle:

Q. You have to pass on them?—A. That is all I have to do. Mr. Hurdman came to my office when I was leaving for Valcartier on the 28th of September and wanted to know if there were any more binoculars wanted and stated that he could get 100; he was holding in his hand a telegram, folded over so that I could not see to whom the telegram was addressed; I saw who the telegram was signed by, a man named Harris. I knew who Harris was, and I immediately said to him, "That is Bilsky", and he said "Yes." I replied, "Well, what is it?" and he said, "I can get the order filled." I said, "He did not fill the last order for 100; how many people has Bilsky going around getting binoculars, there is W. J. Browne, J. M. Bell and yourself, and there is Sinclair and Birkett, five of you offering to supply glasses from the one source." I asked him then, right off, I was in a great hurry to get home and back, there was a cab at the door—I asked him what price and he said, "\$48", the same as Bell quoted. I said, "Is that the lowest", and he said, "Yes." I said, "Why don't you communicate direct with the P. W. Ellis Company, you know they have to do with it." He said he did not want to appear in it and I said to him, "Let Bilsky communicate direct." And I expected that he would wire the Ellis Company as I suggested. I got on the train and went to Montreal, and I said to a gentleman who was going to Montreal with me, "Don't let me forget to call up Mason over the long distance phone about binoculars." When I got to Montreal I called Mr. Mason up and told him that he would get a communication for another hundred binoculars and that this offer was from Mr. Bilsky, and that I knew where the binoculars were coming from. That is the only communication I had with Mr. Hurdman in any shape or form. He made a statement in his evidence that there was a grievance between Mr. Bilsky and myself; I know of no grievance in any shape or form. I never had a word with him in any shape or form. In fact, when I started in on this thing to find out what glasses could be obtained, his place was the first I went into, and here is the list with his name at the head of the list, "Two 8-power", and there are the other names of McMillan, Wilmot, the Ottawa Optical Company, the Ontario Hughes-Owen, Birks, Topley, and E. R. Watt.

Q. What is the date of that?—A. This is August 19th.

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Q. That was before Ellis got that contract?—A. Yes. That is the report I made, and my recommendation is here. I stated what could be got, from all these men, and if you want the letter read it is on file in the Department.

By the Chairman:

Q. What was the visible supply?—A. 120 in Ottawa.

Q. How many had Bilsky?—A. Bilsky had two.

By Hon. Mr. Reid:

Q. And did you have the prices of them?—A. Yes, all except the Ontario Hughes-Owen.

By Mr. Bennett (Simcoe):

Q. Did you see Mr. Bilsky?—A. I went into the place myself, looked at the glasses, and took a memorandum down.

By the Chairman:

Q. Which Bilsky did you see, the one who was here yesterday?—A. I think it was the brother showed me the glasses, but he came in before I went out. I said, I am looking around to see what you can supply.

By Hon. Mr. Reid:

Q. What glasses did he show you?—A. Two 8-power, one at \$65 and one at \$33.

Q. Was it the 8-power glasses you were asking for?—A. 6-power or 8-power.

Q. Which is inferior to those you got?—A. There were a lot of glasses of second grade

Q. Who was that memorandum addressed to?—A. To the Director of Contracts.

Q. Were all these binoculars bought that were on that list?—A. Bilsky could have sent some in.

Q. I mean, those binoculars on that list, were they bought?—A. Oh, yes, practically all, whether Bilsky's were or not I do not know.

Q. And the Director of Contracts had that list?—A. Yes, he had the list at the time I sent it in.

Q. Was that list showed to Ellis?—A. I let Ellis know where they were to be found.

Q. Did Ellis buy them at what they were quoted on that list?—A. I know he bought at less than what they were offered to me for, he got them at less.

By Mr. Carvell:

Q. The price you had would be the retail price that they were putting them on sale in their stores?—A. Yes, I went into the stores, looked at the tags on the glasses and asked them the price.

By Hon. Mr. Reid:

Q. You went to all those persons and asked them what they would supply these binoculars to the Department for.—A. I went in to see what they had on hand.

Q. And at what price they would supply them?—A. The lowest price, that is how I put it to them.

Q. You asked them the lowest price and that is what they said?—A. Yes.

By Mr. Carvell:

Q. The witness says he took the price on the tag.—A. Well, there were lots of them which were not marked in plain figures, and I would have to ask the price of those.

Q. Did you ask them the lowest price?—A. The lowest price, what they would supply these at.

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Q. And that is the lowest price they gave to you?—A. That is the lowest price they quoted to me.

Q. Then Ellis, representing the Government, purchased them from these parties at a less price than they quoted you?—A. He did that.

Q. Give us an instance of that, will you?—A. They purchased binoculars—let me see—I know they purchased them from the Topley people at much lower prices than these.

Q. The Topley people had a contract for a thousand, hadn't they?—A. No they hadn't, they had just a few at the time, I know.

Q. Well, tell us how much cheaper they sold at than they quoted to you?—A. I am not in possession of the invoices, and haven't them before me, they were sent on along with the inspection report.

Q. How do you know that Ellis got these at a cheaper price?—A. I know they were cheaper at the time.

Q. How much cheaper?—A. I could not tell you.

Q. You do not know anything about it, do you?—A. I do, I know what I am talking about.

Q. You do not seem to know about these prices.—A. I do, I know all about them.

Q. What do you know about them?—A. I know they were less.

Q. Five cents?—A. Oh, now, that is getting on.

Q. I want to test your memory?—A. You don't have to test my memory on that.

Q. Was it five cents or less or more?—A. A good deal more.

Q. Would it be a dollar less?—A. I could not tell. It may have been a dollar or two dollars less. This is on record.

Q. What kind of a glass did Bilsky want to sell you at \$33?—A. I do not know what it was; I did not examine the glass.

Q. Have you a record?—A. Two of 8-power, one at 6-power, and one at \$33.

Q. It was an 8-power glass?—A. Yes.

Q. Don't know the make?—A. Don't know the make.

Q. Don't know whether Ellis bought it or not?—A. I do not. It did not come in from Bilsky.

Q. Do you know any others in Ottawa other than Topley from whom Ellis bought glasses?—A. The Ontario Hughes-Owens.

Q. Any other?—A. J. T. Boyd. They paid the prices given to me at the time.

Q. What was the price?—A. \$25.

Q. Anything else?—A. I remember that one particularly.

Q. How many glasses did Topley's have when he made this great saving?—A. I am going to show what he had in stock at that time, 25 prismatic.

Q. What price did he offer them?—A. They ranged from \$17 to \$50. But I am not sure whether the seventeens were binoculars or not.

By Mr. Bennett (Simcoe):

Q. I understood you to say there was one from Boyd at \$25?—A. Yes.

Q. Did that go with the contingent?—A. Yes.

Q. They were accepted?—A. Yes, they were then. In fact, Boyd's were shop-worn and he cut the price down.

By Mr. Nickle:

Q. Your duty, as I understand it, was to inspect?—A. Yes.

Q. You were an expert on that line?—A. Yes.

Q. Did you hear the other day what Mr. Bilsky swore to as to the class of glasses purchased in New York?—A. I did. And I will say this, that the manufacturer mentioned by Mr. Bilsky is very far out and very lacking in his knowledge of prismatic glasses. He made a statement—I do not remember when the makers were read over to him, the names of the makers—he said: That one is no good, and another one is good.

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By Mr. Carvell:

Q. Now, Colonel Hurdman, that is not correct?—A. I am giving my evidence.

Mr. CARVELL: Mr. Chairman, Mr. Bilsky never said any glass was not good, but he said they were not up to the standard.

By Mr. Nickle:

Q. He said certain glasses purchased in New York were purchased at a very low price. You heard that?—A. I did.

Q. Did Mr. Ellis inform you what type of glasses he was purchasing from Birkett?—A. I am not sure whether he informed me what glasses he was purchasing; but I would not accept any glasses that would not pass the test.

Q. Do you know what Birkett represented to Ellis that he was selling to the Government?—A. I do not.

Q. Did you inspect all the glasses that Birkett presented to you for inspection?—A. I did.

Q. How many did you reject?—A. Any that he brought in—I rejected some.

Q. How many?—A. Well, any that he brought in. He brought a sample and description to me and I told him they would not do. But the lot brought in I accepted them.

Q. You accepted the whole 166 pair?—A. Yes.

Q. How do you account for these cheap glasses getting by you?—A. The cheap glasses, I must say that we had some glasses at \$9.45; you call that a cheap glass too. The question is this, the whole thing on a glass is a test as to what it will do.

Q. Then you let by, if that is the proper term, all the glasses that Birkett purchased?—A. Yes.

Q. No matter whether they were worth \$52 a pair or not?—A. I did not know the price.

Q. Or what was being sold?—A. I knew the glasses came in, but I had no knowledge of the cost.

Q. You simply tested them as to the work they would do?—A. If they filled the test they were passed.

Q. And you were satisfied?—A. Yes.

Q. Now, you heard what it was alleged that \$2 for incidentals was? Have you anything to say in regard to the glasses passing under your inspection, in regard to your accepting anything from any person?—A. I have this to say, that Mr. Birkett, or Mr. Taylor, whom I knew, never hinted in any way, shape or form, of such a commission to me or anything in connection with it. I can further say that I have not been approached by any one, if it comes down to that, for a commission.

Q. That is, that no person directly or indirectly, offered you anything?—A. For or in connection with this statement, either in any shape or form, either directly or indirectly.

Q. Did any person, directly or indirectly, approach you or offer you anything to influence your judgment on the passing of any of these binoculars?—A. None, whatsoever, in any shape or form; or even hinted at it.

By Mr. Carvell:

Q. What was the standard set by Mr. Ellis from which you were inspecting?—A. I have a standard binocular, a War Office pattern, I have it here with me. It must be understood at that time it was impossible to get a standard binocular. We had to take anything we could get that was binoculars.

Q. Anything that had two glasses in it was a binocular?—A. Anything that had two glasses in it would not be a prismatic binocular.

Q. It takes four glasses, I suppose, to make a prismatic binocular?—A. It takes half a dozen.

The CHAIRMAN: That covers pretty well the statement.

Mr. CARVELL: He says that he inspected the glasses and Ellis did the buying.

By Mr. Carvell:

Q. I want to know, there must have been surely some standard or specification given him, either by the Government, or Ellis, or somebody, upon which he could inspect. I want to know that standard?—A. They had to be inspected for illumination, for definition, and for the object, whether it would be the field, and the penetration. Now, I did not—it is a long story to go into.

Q. Put it in plain language?—A. In plain language, I had to take them out and test them. I would take out the standard one to an object and look at it. I accepted the other glasses provided I could see just as well with one as the other.

Q. You could see as well with the \$9.75 as with the \$65 glass?—A. For short ranges.

Q. Then you bought the \$9.75 glasses?—A. Simply because they were superior to an ordinary straight bar binocular.

Q. Then you intended to give these to soldiers who are fighting at short range?—A. I classified them in two classes. I put the good glasses for the artillery, who require good glasses. The cheaper glasses and the small, what we call the 8 x 21 and the 8 x 25, the small glasses and the cheaper glasses, were for the signalling corps and for scouting parties, and for infantry at shorter range.

Q. Then you were aware you were buying inferior glasses?—A. We could not get anything else.

Q. Did you represent that to Mr. Ellis?—A. They knew it.

Q. Did you represent it to them?—A. Certainly, they knew what they were getting.

Q. Did you tell Ellis—you say they are inferior glasses?—A. Not in that sense. He was not furnishing inferior glasses.

Q. If you would be a little more anxious and listen to the question—did you tell Mr. Ellis that he was furnishing glasses not up to standard?—A. Not up to War Office standard, is that what you mean?

Q. I do not care what standard?—A. Lots of them were not up to War Office standard.

Q. Did you tell him that?—A. Certainly, they knew it.

Q. That is not an answer to the question?—A. Certainly I told him. There is no question about it; I told Mr. Mason.

Q. Was this in writing?—A. No, just in my office.

Q. Now, you notified Mr. Ellis he was furnishing a glass not up to standard?—A. Wait a minute—

Q. Did you or did you not?—A. Let me answer my question my own way. You want to know did I tell Mr. Ellis or Mason that they were not up to standard. I told him that they were not up to War Office standard. There was nothing else to be procured. I knew it as well as Mr. Mason did.

Q. Did you tell him he was furnishing a cheap glass, cheap in price?—A. No, I could not tell him that.

Q. Did you inform your superiors, your Minister, or whoever would be the proper person to report to in your Department, that Ellis was furnishing glasses not up to standard?—A. No, I did not do anything of the kind, because we could not get glasses up to the standard.

Q. The facts are that you had no standard upon which to inspect these glasses, and did not inform your superior?—A. It was an utter impossibility. The fact is simply this my instructions if I remember rightly were to accept these glasses.

Q. Then your instructions were to accept what they brought to you?—A. I cannot say I had any strict instructions in that way. I classified them myself, that is my business as inspector to do so.

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By Mr. Boys:

Q. Does the invoice indicate a difference in price? Does a long range glass cost more than a short range one?—A. Certainly it does.

Q. The moment they are classified in that way it would be known that one glass must cost more than the other?—A. Yes.

By Mr. Carvell:

Q. You got instructions to accept anything that came along. Did you get those instructions from the Department?—A. No, I am the inspector. I give myself instructions necessary in that way.

Q. Did you get any instructions from anybody?—A. Not in the way you want to put it.

Q. Did you get instructions as to what you should or should not accept?—A. I am the inspector.

Q. You are the Alpha and Omega in the Department?—A. So far as inspecting and passing them are concerned.

By Mr. Bennett (Simcoe):

Q. Who were the \$9.75 glasses from?—A. The T. Eaton Co.

Q. None of the Birkett glasses were that low?—A. I would like to say this to a statement made here. There are about, I suppose, 50 or 60 different names on binoculars. Now, there might be a dozen names, and all the same binocular. I have samples right here now. When I was in business myself, when we bought high class binoculars, we had our own name on them. The Ontario Hughes-Owens Co. does the same way. We were building up a business we selected a good article and put our own name on it. When these glasses come on here, we will take the Imperial Optical Co., it was just merely a glass made for the Imperial Optical Co. There are only practically two makers in the United States.

The CHAIRMAN: I am sure, Mr. Carvell,—

Mr. CARVELL: I am not inviting the witness to make these speeches.

Hon Mr. REID: I think he should answer the questions and not make these speeches.

The CHAIRMAN: Every man cannot be the same kind of witness.

Mr. CARVELL: If I jump on this witness, somebody else will jump on me.

By Mr. Nickle:

Q. Did you report to Mr. Ellis as to the quality of glasses that you passed of Birkett's?—A. Yes, I think I did. I am not sure.

Q. I want you to be sure.—A. I think I reported to him that the glasses were all right, passed inspection.

Q. Did you report that there was a variation in type that would have made a difference in price?—A. I did not.

Q. Did you know what Mr. Ellis had bought from Birkett?—A. I did not know what he bought.

Q. You did not know there was a fixed price for all these glasses?—A. I probably did know that after the invoices came in.

Q. But before you passed on them?—A. I think so, yes.

Q. Did you consider all the glasses equally valuable?—A. I considered they were all up to standard.

Q. I said equally valuable? The reason I say that is that I have a telegram purporting to be from the Ellis Co., from which I will read. It states: "Such glasses would be good value to the Government at \$52 each." Were you aware of that fact?—A. I do not know whether I was or not; I cannot say positively.

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Q. Do you suppose that Birkett wrote to Ellis that he was only supplying the higher quality 6-power binoculars?—A. I do not know, I do not know anything about that.

Q. You did not inform Ellis that you were passing inferior glasses?—A. They asked me as to quality, and I said they were to be of good quality, that is all there is about it.

Witness discharged.

Mr. H. W. BROWN, recalled.

By Mr. Carvell:

Q. We have had you here before Mr. Brown; did you buy any horses?—A. No.

Q. You did not buy the horses?—A. Not a single horse.

Q. Would you know a ringboned from a spavined horse?—A. Not at all. I have had not one thing to do with the purchase of horses, I do not know anything about it, I couldn't give you any information, even second hand about it.

Q. You are the Director of Contracts, are you not?—A. To be sure but the horses were not bought by me, I had nothing to do with it.

Q. Who did buy the horses?—A. As I say, I cannot even give you hearsay evidence about that; I was too busy myself about that time.

Q. If you did not buy the horses, who would be the proper official in the Department whose duty it would be to purchase them?—A. That would be presumably in the Quartermaster General's Department, Colonel Biggar could, I think, tell you, or he would be more apt to tell you than I. I really do not know anything about it at all. It was not part of my work and I was not interested in it at all.

Q. Then it would be a useless expenditure of time to try to get information about horses from you?—A. Yes.

Witness retired.

LIEUT. COL. BIGGAR, called, sworn and examined.

By Mr. Carvell:

Q. What position do you occupy in the Militia Department?—A. Director of Contracts and Supplies.

Q. Would that include horses?—A. It might, sometimes, under normal conditions, yes.

Q. Under normal conditions it would include the purchase of horses?—A. Yes.

Q. Now, does it include horses in war time?—A. It does not in this war.

Q. Did you have anything to do with the purchasing of horses for the First Contingent?—A. No, none whatever.

Q. Were the purchases made through your branch of the Department?—A. In the Quartermaster General's Department of which I am part.

Q. Who would be the officials in your branch who could give us that information?—A. The Director of Veterinary Service.

Q. Who is that?—A. Lt.-Col. Neil.

Q. Where is he?—A. With the First Division.

Q. He has gone, has he?—A. Yes.

By Hon. Mr. Reid:

Q. He is in either France or England?—A. In France or England, I am not sure which.

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By Mr. Carvell:

Q. Would there not be some record in your Department showing what he did?—A. There are the stubs of the cheques, I think they are all there, I am not sure, but a great many of them are.

Q. Do you know how many horses were placed on board the transports at Quebec?—A. No, I was not there.

Q. Who would know that?—A. The Transport officer who was in charge.

Q. Who is he?—A. Sir William Price, Colonel Price, he looked after the embarkment.

Q. Have you any records in the department showing the number of horses placed on the transports?—A. He made his return of what went on the various ships; this return shows the various ships and what were on each.

Q. Perhaps we can shorten this matter, does the Return brought down to the House contain the number of horses that went on the various transports?—A. Yes.

Q. Will you examine the list set out on page 38 of the printed return and see if that is correct?—A. You will observe that according to that there was a total of 7,620 horses shipped?—A. That is the total here, I presume that is right.

Q. Now, have you anything on your returns that shows you from whom these horses were purchased?—A. No, sir.

Q. Is there not something in your department that would show that?—A. The cheques, I suppose, show it.

Q. Is that all you have?—A. That is all I know of, I had nothing to do with the purchases.

Q. That may be; according to your information Lieutenant Colonel Neil was the man who did the purchasing, and he has gone to the front?—A. He was in charge of it.

Q. There must be records left in your department that will give us some information?—A. The cheque stubs are there.

Q. But you have nothing else?—A. That is all I know of.

Q. Haven't you any vouchers from the men who sold the horses?—A. The cheque was made payable to the owners of the horses.

Q. And that is all you know?—A. That is all I know.

Q. From what you have been able to observe were the cheques, as a rule, to the owner of the horse purchased?—A. I understand they were in all cases.

Q. We find among the cheques brought down here that a man named W. P. McKay got cheques ranging from \$160 to \$6,841; do you understand that those cheques were given to the man who owned the horses?—A. I would presume that man must have collected a number of horses to have a cheque of that size.

Q. He is the man who would be supposed to own the horses?—A. Yes.

Q. Was that method practised generally in the department in purchasing of horses?—A. Yes, that was the arrangement we had made, to give cheques for the horses on delivery.

Q. Whether it was one horse or a hundred?—A. Yes.

Q. This is a question that cannot be answered accurately by you, but, as far as you are able to answer it, it appears that the custom was to give cheques either for the individual horse or in large numbers to the middleman?—A. I do not know what the Colonel's method was, I hadn't anything to do with it.

Q. What would you judge from an examination of the cheque stubs?—A. I have never examined them.

Q. And, I suppose, you have been busy?—A. Yes, and it was not my duty to examine the cheques. With regard to the matter of horse buying especially I did not want to go into the matter.

Q. Would the cheques, or the cheque stubs in your possession show the number of horses purchased?—A. It should, if they are all in the return, and I think they are.

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Q. I would like to have that information?—A. A Return has been made to the House of all the horses purchased, in answer to a question the other day, and that gives the total number of horses purchased.

Q. What is the total number? I would like to have you look up the information and bring it here with you. You can get it, I suppose but it would be quite a job, I would like to get the number of horses purchased from each party?—A. Yes, there were about 8,000 horses purchased.

By Mr. McKenzie:

Q. Can you tell the Committee what kind of vouchers would have to go through your Militia Department before the cheque was paid; would there be any certificate of the horse passing inspection, of the man who bought it, or to whom it was delivered; is there any information of that kind in your Office before the cheque was issued?—A. I haven't the first thing to do with the purchase of horses, I do not know about Colonel Neil's method or anything about it, it was entirely in his hands; I have no more to do with it than the Director of Contracts.

By Mr. Carvell:

Q. Did Colonel Neil have any assistants?—A. He had two or three clerks.

Q. Where are they?—A. They have gone with him, all but one.

Q. Let us have the survivor, then, where is he?—A. He is in Toronto now, with Sir Adam Beck.

Q. What is his name?—A. Sergeant Burn.

Q. What is his first name?—A. I don't know his first name. There were two others he took with him to the continent.

Q. I am afraid the Sergeant would be like the rest, he would not know much about it. Do you know whether there is any record in your Department of description, age, colour, or general description of any of these horses?—A. I do not know.

Q. Have you ever searched in your Department to see if such a thing existed?—A. No.

Q. Are you aware that on the 23rd December, 1914, the Auditor General addressed the following letter to the Deputy Minister of Militia. (Reads)

Sir,—I have to acknowledge receipt of your letter of 21st instant with cheques for purchase of remounts.

I notice that most of these cheques are for large amounts paid, apparently to persons who were not the real vendors. I shall require the forms on which were entered the owner's name, description of horse, price paid, etc. There are a few cases in which these are attached to the cheques.

Please let me have the rest of these forms as soon as possible.

A. I never heard of that letter.

Q. It was not brought to your attention?—A. No.

Q. That is addressed to the Deputy Minister on December 23rd last. Was Colonel Neil in charge of the purchasing at that time?—A. He went over the 1st October.

Q. Then he was not here?—A. No, sir.

Q. Who had charge of the purchasing, we will say, on the 23rd December?—A. I have forgotten when Sir Adam Beck got it. I could not say offhand. I do not think anybody was buying at that time.

Q. Is Sir Adam Beck entirely in charge of the purchasing now for the whole of Canada?—A. East of the Great Lakes, only East of the Great Lakes.

Q. Who has charge west of the Great Lakes?—A. Lt.-Colonel A. W. McRae.

Q. From Guelph?—A. No, from Port Arthur.

Q. You never heard of this letter having been sent to the Militia Department?—A. The first I have heard of it.

LT.-COLONEL BIGGAR.

APPENDIX No. 3

By Mr. McKenzie:

Q. To whom would that letter be transmitted by the Deputy Minister?—A. I do not know.

Q. Who would be the proper officer?—A. I do not know. I did not hear of it.

Q. When the letter goes to the Deputy Minister, he hands it, I presume, to some officer in the Department. Who would be the natural man to get that letter?—A. I do not know who he would send it to.

Witness discharged.

Mr. JOHN FRASER, auditor general, recalled.

By Mr. Kyte:

Q. Mr. Fraser, you addressed a letter to the Deputy Minister of Militia on the 23rd of December, which has just been read, on p. 38 of this correspondence?—A. I did.

Q. Did you receive any reply to it?—A. No.

Q. To whom would your letter likely go in the ordinary course?—A. I have not the faintest idea.

Q. I notice here also a letter dated December 22nd, to the Deputy Minister of Militia and Defence. (Reads).

Sir,—I beg to acknowledge receipt of your letter of the 19th instant, with enclosed statement showing the amount expended in the purchase of remounts for the first overseas contingent.

In this connection let me call your attention to my letter of the 25th November, in which I asked for the number of remounts taken on board the transports at Quebec for first contingent. Please let me have this information at your earliest convenience.

I am, sir, your obedient servant,

J. FRASER,
Auditor General.

Q. When did you receive a reply to that letter? There did not seem to be one.—A. There is a reply dated 7th January, on p. 38.

Q. Yes, that is right. Well, when did you receive the vouchers for the purchase of these remounts?—A. I could not say the date, some time not very long after. I must have had them before the 22nd or 23rd of December.

By Mr. Bennett (Simcoe):

Q. Is the date of receipt marked on them?—A. There may have been a letter accompanying them, likely there was.

By Mr. Kyte:

Q. Are these cheques in your possession here now?—A. Yes, they are with the Committee.

Q. Would you please produce them?—A. (Cheques produced).

By Mr. Carvell:

Q. Before you go into that. Is there any form or descriptive record of each individual horse, or of any horse, accompanying these vouchers?—A. I recall having seen one at least; and on the strength of that I wrote that letter asking for them.

Mr. JOHN FRASER.

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Q. I would like to have that one, if you could find it.—A. I was looking for it the other day in here, and I cannot find it. It was attached to one of the cheques.

By Mr. Kyte:

Q. Can you recall from what province they were issued that this form was attached to?—A. I think it was some bought in the neighbourhood of Ottawa, either at Kazabazua or Aylmer, or somewhere in this vicinity.

Q. Could you show the Committee a form of voucher which was in use with reference to the purchase of some of these horses?—A. Here is one (reads):

Certified that the horse described as follows: Bay Gelding, Snip, wire cut on off front heel and white hind heels, six years old, height 15.1½, weight 1,070, owned by Elton Merner, has been this day sold by him to the Department of Militia and Defence of the Government of the Dominion of Canada for the sum of one hundred and fifty dolls (\$150).

Dated this 16th day of August, 1914.

Vendor,
Wentworth Irving, Major,
Purchasing Agent.

Q. Is that signed by the vendor?—A. This one is not (reads):

I certify that I have examined the above horse and found that it is as above described, sound and fit for military service.

Francis A. MacEwan,
Lieut. C.A.V.C.,
Veterinary Officer.

Q. Looking through all these vouchers, would you say it was the custom for the vendor to sign the voucher, or for him not to sign?—A. Some of them are signed by the vendor, I see, and some not.

Q. Are these the vouchers that you had in mind when you wrote this letter of the 23rd December?—A. No, that was a small printed form, the same size as the cheque.

Q. Showing the same information?—A. I think possibly the same; I would not say it was exactly the same; it may have been. I have only a recollection of it.

Q. What would you say it contained?—A. Something of that nature. There was a description of the horse, and the price, and the vendor's name was signed by himself. I think possibly it was a printed one. This is a typewritten form.

Q. Did one of these you have just read accompany each cheque?—A. I do not know. There is a pile of them here; they have not been checked over with the cheques yet.

Q. You have not been able to verify them?—A. No, we have not.

Q. Well, will you produce the cheques that represent the purchase of horses in Nova Scotia? (Witness produces cheques).

By Mr. Rhodes:

Q. This is just one purchase?—A. No particular purchases.

By Mr. Kyte:

Q. You have examined all those cheques?—A. No, I have not.

Q. Does this represent the complete file of cheques relating to these purchases?

Mr. RHODES: There are two lots from Nova Scotia.

Mr. JOHN FRASER.

APPENDIX No. 3

By Mr. Kyte:

Q. We will take the cheques issued by A. DeWitt Foster, M.P. Have you gone over those?

Mr. RHODES: By him alone?

Mr. KYTE: Signed by him as purchaser.

Mr. RHODES: Just one signature? It must have been issued by the two.

Mr. KYTE: It is signed A. DeWitt Foster and P. A. Gough, Veterinary Inspecting Officer.

The CHAIRMAN: The joint cheque of these two men upon which the purchaser would draw his money.

By Mr. Kyte:

Q. Were any vouchers attached to the cheques returned to your office signed by A. DeWitt Foster, M.P., as purchasing agent?—A. No.

Q. There was nothing to indicate the person who was the original vendor of the horse?—A. Not accompanying the cheques.

Q. And you have not seen any up to the present?—A. No.

Q. Have you a list there indicating the amounts for which Mr. Foster and the Veterinary Inspecting Officer issued cheques?—A. Yes, there is a list that accompanied all these cheques here. It gives the amount, the total expenditure by A. DeWitt Foster, \$72,994; number of horses 428; average cost \$170.54.

By the Chairman:

Q. Who made that statement up?—A. The Militia Department, certified correct R. P. Brown, I don't know what those initials are. That is a statement made up in the Militia Department and sent to us with the cheque.

By Mr. McKenzie:

Q. I have understood that before any Government cheque is issued for payment on Government business the voucher and cheque were first submitted to your Department, or to yourself, is that correct?—A. Oh, no, not the war expenditure.

Q. I am not talking about war expenditure, but ordinarily is that the custom?—A. No, a large portion of the business is done in the same way, under letter of credit; we do not get the vouchers until afterwards.

By Mr. Kyte:

Q. You will take this list and tell the Committee the amounts represented by these cheques and to whom these amounts were paid?—A. September 3rd, Berwick, Nova McKay, \$160, one horse; September 3rd, Berwick, W. P. McKay, \$2,000, 11 horses; September 2nd, Kentville, W. P. McKay, \$1,344, 7 horses; September 2nd, Kentville, W. P. McKay, \$2,000, 12 horses; September 2nd, Kentville, W. P. McKay, \$3,560, 20 horses; September 4th, Kentville, W. P. McKay, \$165, one horse; September 4th, Kentville, W. P. McKay, \$170, one horse; September 4th, Kentville, W. P. McKay, \$330, two horses; September 4th, Kentville, W. P. McKay, \$6,481, 40 horses.

By Mr. Carvell:

Q. Are all these cheques signed by Gough & Foster?—A. No, George R. Chipman.

Q. Tell me the ones that Chipman certified to?—A. The first one, \$3,060, is signed by Chipman and Foster for 18 horses; the second cheque, \$160, is signed by Foster and Wood, John Wood; the next one for \$2,000, is Foster and Chipman; the next one \$1,344, for 7 horses, by Chipman. The next one \$2,000, 12 horses, Chipman; and \$3,560, 20 horses, Chipman.

Mr. JOHN FRASER.

By Mr. McKenzie:

Q. Chipman and who else?—A. In every case by Mr. Foster, Mr. Foster signed them all; \$165, one horse, signed by Wood; one horse \$170, by Wood, \$330, two horses, by Wood; \$6,841, 40 horses, by Wood.

By Mr. Carvell:

Q. There is one more that you didn't get?—A. \$3,060, the first one is Foster and Chipman.

Q. Then, there was another one, \$3,560, did you give us that?—A. Twenty horses, that is Chipman.

By Mr. Kyte:

Q. By whom these cheques endorsed?—A. The first, \$3,060, by G. A. Oakes, first, and W. P. McKay; \$160, by W. P. McKay; \$2,000, by G. A. Oakes and W. P. McKay.

By Mr. McKenzie:

Q. Does Oakes name appear on the face of that cheque or as a mere endorser?—A. Endorser.

By Mr. Carvell:

Q. McKay is the first endorser and Oakes the second?—A. In this case, \$2,000, McKay is first and Oakes second.

By Mr. Sharpe (Ontario):

Q. The cheques are payable to McKay or were there others?—A. Yes. \$1,344 endorsed by McKay; \$2,000, endorsed by McKay; \$2,560, endorsed by McKay; \$165, endorsed by McKay; \$170, endorsed by McKay; \$330, endorsed by McKay; \$6,841, endorsed by McKay and Oakes.

By Mr. Kyte:

Q. What are Oakes initials?—A. "G. H."

Q. These cheques each represent the price of a number of horses, and you have no voucher nor anything to indicate how much was paid for each horse?—A. No.

Q. Or the description of each horse?—A. No.

Q. That is the record you have of this transaction?—A. Yes.

Q. Will you turn up the cheques now and say to whom the cheques to Keever are made payable?—A. On 28th of August to F. B. Keever, \$8,750, 52 horses.

Q. Who is the veterinary?—A. Chipman, signed by Foster and Chipman, endorsed by Keever; September 4th, F. B. Keever, \$170, one horse, signed by Foster and Wood, endorsed by Keever; September 4th, F. B. Keever, \$180, signed by Foster and Wood, endorsed by Keever; September 4th, F. B. Keever, \$185, one horse, signed by Foster and Wood, endorsed by Keever; September 4th, F. B. Keever, \$190, one horse, signed by Foster and Wood, endorsed by Keever; 4th of September, F. B. Keever, \$3,500, 20 horses, signed by Foster and Wood, endorsed by Keever; September 2nd, F. B. Keever, \$6,500, 38 horses, signed by Foster and Wood, endorsed by Keever; September 2nd, F. B. Keever, \$5,000, 29 horses, signed by Foster and Arthur Gill, endorsed by Keever.

Q. Is there any note accompanying these cheques to indicate by whom the horses were purchased or the description?—A. None of them; of course, by the cheque they are bought from Keever.

Q. Well, those that were individual purchases you can see by the amount of the cheques. Will you take that list now?—A. September 1st, T. C. Woodworth, \$2,160, 12 horses, signed by Foster and P. A. Gough, endorsed by F. C. Woodworth; Septem-

Mr. JOHN FRASER.

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ber, 2nd, T. C. Woodworth, \$1,600, 10 horses, signed by Foster and Gough, endorsed by Woodworth; September 2nd, T. C. Woodworth, \$2,250, 15 horses, signed by Foster and Gough and endorsed by Woodworth; September 2nd, T. C. Woodworth, \$2,052, 12 horses, signed by Foster and Gough, endorsed by Woodworth; September 2nd, T. C. Woodworth, \$2,310, 14 horses, signed by Foster and Gough, endorsed by Woodworth and J. R. McLeod.

By Mr. Bennett (Simcoe):

Q. That one is signed by Mr. McLeod, is there another endorser, or was Mr. McLeod's signing just for identification?—A. T. C. Woodworth, there are two endorsements. September 4th, T. C. Woodworth, \$1,650, 10 horses, signed by Foster and Thomas Chalmers, endorsed by Woodworth; September 4th, T. C. Woodworth, \$1,344, 8 horses, signed by Foster and Thomas Chalmers, endorsed by Woodworth; September 4th, T. C. Woodworth, \$1,080, 6 horses, signed by Foster and Chalmers, endorsed by Woodworth; September 4th, T. C. Woodworth, \$640, 4 horses, signed by Foster and Chalmers, endorsed by Woodworth.

Date.	Name.	Amount.	No. of Horses.	Signed.	Endorsed.
Sept. 4...		\$ 2,052	12	Foster and Chalmers...	T. C. Woodworth and C. L. Rood.
" 3...	T. C. Woodworth...	1,650	10	" "	Woodworth.
" 3...	" ..	680	4	" "	"
" 3...	" ..	2,016	12	" "	"

Mr. KYTE: That completes that list payable to Woodworth.

By Mr. Carvell:

Q. Is there any information as to where these horses were purchased in the cheques?—A. The places where the cheque is dated.

Q. Take that list.

By Mr. Rhodes:

Q. Would you have any objection to my taking up a similar list of cheques issued in the province of Nova Scotia so that the thing may be kept in order.

Packet of cheques handed to witness.

The WITNESS: September 4.

By Mr. Carvell:

Q. To whom did these go?—A. One to Moore.

Mr. KYTE: Another man to whom the cheques were paid, Walter Moore.

Date.	Name.	Amount.	No. of Horses.	Signed.	Endorsed.
Sept. 4...	Walter Moore	\$ 425	3	Foster and Wood.....	Walter Moore.
" 4...	"	325	2	" "	"
" 4...	"	355	2	" "	"
" 4...	"	335	2	" "	"
" 4...	"	830	5	" "	"
" 4...	"	635	4	" "	"
" 4...	"	450	3	" "	"
" 4...	"	145	1	" "	"

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By Mr. Carvell:

Q. Any identification record or description attached to those?—A. None.

By Mr. Kyte:

Q. Take these two cheques, Mr. Fraser (handing to witness). (Reads):—A. September 2, W. C. Thompson, \$175; 1 horse signed by Foster and Gough; endorsed W. C. Thompson. There is another endorsement of Moirs Ltd., I think. September 2, W. C. Thompson, \$170; signed Foster and Gough; endorsed W. C. Thompson.

By Mr. Kyte:

Q. Are there any particulars to indicate from whom the horse was purchased originally, there is nothing to describe it?—A. It does not say who is the vendor. (Reads). September 4: G. H. Oakes, \$2,050, 12 horses; signed Foster and Wood, endorsed J. Oakes. September 4: J. W. Oakes, \$200, 1 horse; signed Foster and Wood, endorsed J. W. Oakes and G. H. Oakes. September 2: P. A. Gough, \$170, one horse; signed Foster and Gough, endorsed P. A. Gough.

Q. You say Foster and Gough. That is P. A. Gough, signed by the person to whom made payable and endorsed?—A. Yes.

By Mr. Carvell:

Q. And it is the same signature?—A. Yes, the veterinary surgeon. (Reads):

Date.	Name.	Amount.	No. of Horses.	Signed.	Endorsed.
		\$			
Sept. 2...	W. B. Lloy.....	175	1	Foster and Gough.	W. B. Lloy.
" 2...	E. K. MacLellan....	150	1	" "	E. K. MacLellan.
" 2...	H. C. Adams.....	155	1	" "	H. C. Adams.
" 3...	W. B. Stewart.....	195	1	Foster and Chalmers....	W. B. Stewart.
" 3...	O. C. Dauphine.....	165	1	Foster and Gough.	O. C. Dauphine.

By Mr. Kyte:

Q. That includes all the cheques signed by Mr. Foster, M.P.?—A. I do not know without checking them off.

Q. These are the cheques you noted down. Is there anything in them to indicate the age of the horse or who was the vendor?—A. No.

Q. And no description of the horse?—A. No description.

By Mr. Rhodes:

Q. Mr. Fraser, there is a list of cheques issued in connection with the purchase of horses at Sydney, Nova Scotia, by Lt.-Colonel H. E. McLeod. Will you please go through these and give the amounts, to whom they are paid, by whom they are endorsed, and by whom they are signed.—A. (Reads):

August 20, payable to Robert McCowan, \$4,000; 20 horses, signed by H. I. McLeod, and—

Mr. KYTE: I think it is McGowan.

The WITNESS: He signs it McCowan.

By Mr. Carvell:

Q. By whom were these cheques signed?—A. By H. I. McLeod, Lt.-Colonel.

The CHAIRMAN: Is there a Major Thurston there?

Mr. RHODES: C. E. Thurston.

Mr. CARVELL: That is the man.

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By Mr. Carvell:

Q. By whom endorsed?—A. I could not say whether the initials are H. I. or H. G.

Mr. RHODES: That cheque is endorsed by Robert McCowan.

The CHAIRMAN: (After examining). It is signed by Lt.-Colonel E. C. Thurston, and endorsed by Robert M. Cowan.

The WITNESS (Reads): August 20, Robert M. McCowan, \$2,000, signed by McLeod and Thurston; endorsed by Robert M. Cowan.

By Mr. Rhodes:

Q. For how many horses?—A. 10 horses. (Reads):

August 21, Alex. Cameron, \$155, 1 horse, signed McLeod and Thurston; endorsed Alex. Cameron.

August 21, B. L. Lowden, \$190, 1 horse, signed by McLeod and Thurston, endorsed by Lowden.

August 21, Hugh H. McLean, \$175, 1 horse, signed by McLeod and Thurston, endorsed by Hugh H. McLean.

August 21, R. V. Hall, \$180, 1 horse, signed by McLeod and Thurston, endorsed by Hall.

August 21, John McDonald, \$175, 1 horse, signed by McLeod and Thurston, endorsed by John McDonald.

August 21, John McDonald, \$170, 1 horse, signed by McLeod and Thurston, endorsed by John McDonald.

August 21, C. M. Macdonald, \$195, 1 horse, signed by McLeod and Thurston, endorsed by C. W. Macdonald.

August 21, Geo. J. Ross, \$1,750, 9 horses, signed by McLeod and Thurston, endorsed by George J. Ross.

August 21, Aubrey Ritchie, \$180, 1 horse, signed by McLeod and Thurston, endorsed by Ritchie.

August 21st, Neil Gillis, \$185, 1 horse, signed by McLeod and Thurston, endorsed by Neil Gillis; and, it looks like L. Macdonald.

August 21, Neil Gillis, \$185, 1 horse, signed by McLeod and Thurston, endorsed by R. B. Murray.

August 21, Phillip Cohen, \$180, 1 horse, signed by McLeod and Thurston, endorsed by Cohen.

August 21, H. H. Mann, \$200, 1 horse, signed by McLeod and Thurston, endorsed by Mann.

August 21, F. A. Crowell, \$1,085, 6 horses, signed by McLeod and Thurston, endorsed by F. A. Crowell.

August 21, Henry McLeod, \$165, 1 horse, signed by McLeod and Thurston, endorsed by McLeod.

August 21, Fulton Cameron, \$400, 2 horses, signed by McLeod and Thurston, endorsed by Fulton Cameron, identified by C. S. Scott, P. F. Bill, M. McDonald, and D. Sutherland.

August 22, \$175, 1 horse, Roderick Macdonald, signed by McLeod and Thurston, endorsed by Rod. Macdonald.

August 22, D. W. Lemoine, \$160, 1 horse, signed by McLeod and Thurston, endorsed by D. W. Lemoine.

August 21, Max Fried, \$860, 5 horses, signed by McLeod and Thurston, endorsed by Fried.

August 22, William Hall, \$155, 1 horse, signed by McLeod and Thurston, endorsed by William Hall.

August 24, John McQueen, \$175, 1 horse, signed by McLeod and Thurston, endorsed by McQueen.

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August 24, J. A. Ingraham, \$185, 1 horse, signed by McLeod and Thurston, endorsed by Ingraham.

No date, B. C. Bailie, \$165, 1 horse, signed by McLeod and Thurston, endorsed by B. C. Bailie.

August 24, M. Nathanson, \$175, 1 horse, signed by McLeod and Thurston, endorsed by Nathanson and A. Nolfro.

Mr. RHODES: If I might interrupt, I do not think we can possibly finish before adjournment, we are really past the hour now and I might suggest that we adjourn until 3 o'clock.

Witness retired.

Committee adjourned.

HOUSE OF COMMONS.
COMMITTEE ROOM No. 211.

TUESDAY, March 30, 1915.

The Committee met at Three o'clock, p.m., Mr. Morphy presiding.

Mr. J. FRASER, Auditor General, resuming.

By Mr. Rhodes:

Q. Will you go on, Mr. Fraser, from where you were when we adjourned?—A. (Reads):

Date.	Name.	Amount.	No. of Horses.	Signed.	Endorsed.
Aug. 24..	Max Freid.....	\$ 330	2	McLeod and Thurston...	Max Freid.
" 25..	F. G. Konig.....	190	1	" "	F. G. Konig.
" 25..	Albert Passorvin...	185	1	" "	Albert Passorvin.

Is there any use in repeating the names of the buyers, they are evidently endorsed the same all through?

Mr. RHODES: I do not think it is necessary. It will make it easier for the record. We will take it that they are endorsed by the persons for whom they are made payable, unless there are extra endorsements.

The CHAIRMAN: How many are there?

Mr. RHODES: There are 51 altogether on this list.

The CHAIRMAN: If there is any exceptional endorsement you will name it.

The WITNESS (reads):

Name.	Amount.	No. of Horses.	Endorsed.
O'Callaghan and Mackenzie...	\$ 175	1	
W. H. Kilpatrick.....	350	2	
Thos. J. Macdonald.....	150	1	W. M. Macdonald, and Thos. J. Macdonald.
L. Cameron	200	1	L. Cameron (his mark), witness D. A. Cameron.
R. Johnston.....	190	1	Per T. Becker, Attorney.
I. Becker.....	170	1	Per T. Becker, Attorney.

The CHAIRMAN: To avoid any question, where you have started on a new tack, enter on the record, that the following are like the foregoing so far as signatures are concerned, and the endorsements except where specially mentioned.

Mr. JOHN FRASER.

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By Mr. Rhodes:

Q. I do not know that it is important, but there are two cheques numbered 34. You will observe that the R. Johnson cheque just read is No. 34 and the one you now have is 34?—A. Yes.

J. Becker, \$170, that is endorsed.

Wm. Dunn, \$190, 1 horse.

R. L. Moses, \$195, 1 horse.

George Armstrong, \$170, 1 horse.

John Kehoe, \$175, 1 horse.

The CHAIRMAN: Cannot you say, "And fifty others similarly signed and endorsed"?

MR. RHODES: There is just a possibility that it is important a record be kept of these cheques.

By Mr. Rhodes:

Q. Take the next one.—A. Frank Redding, \$200, 1 horse, D. M. MacAdam, \$175, 1 horse.

Robert McCowan, \$340, 2 horses, endorsed by Robert McCowan and McCowan and Chisholm.

Prescott Anthony, \$200, 1 horse.

William Macdonald, \$185, 1 horse.

Robert Moore, \$160, 1 horse.

Edward McLean, \$190, 1 horse.

George J. Ross, \$1,400, 8 horses.

C. V. Whitmore, \$1,520, 8 horses.

By Mr. Carvell:

Q. What is the date of that?—A. August 27.

Q. Who passed those horses?—A. The same parties.

James McGuire, \$200, 1 horse.

Cockell Bros., \$200, 1 horse.

Robert McCowan, \$600, 3 horses.

By Mr. Rhodes:

Q. That closes all that lot, is the same veterinary's name attached to all these cheques?—A. Yes.

Q. Have you any accompanying vouchers giving a description of the horses purchased?—A. No.

Q. Are there any documents or any papers of any kind whatsoever showing the kind of purchases made?—A. No.

Q. The only record of these purchases you have are the cheques?—A. The cheques

Q. And in this respect they are precisely similar to the cheques for the horses purchased by Foster?—A. Yes.

Q. Will you give us the total sum expended by Colonel McLeod in the purchase of these 116 horses and the average price per horse?—A. \$21,650 for 116 horses, \$186.64, average cost.

Q. Now I would like you to take up in the same way the purchase of horses at Moncton by S. B. Anderson. I think we can simplify it by taking it that the endorsements are the same as the persons to whom the cheques are payable, except where there might be some additional endorser. Give the name, the amount and for how many horses.

MR. CARVELL: If there is any endorser outside the payee of the cheque you had better give it.

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By Mr. Rhodes:

Q. In the first place do you know is this Lt.-Col. Anderson?—A. He is on here as Major S. B. Anderson.

Mr. CARVELL: Is not this Major S. B. Anderson of the Field Battery?

Mr. RHODES: I think so, but I do not know, he is a military man.

By Mr. Rhodes:

Q. Will you now give us the cheques, Mr. Fraser?—A. W. H. Anderson, \$3,945, 18 horses, signed by S. E. Anderson and L. S. Doyle; Edward Hogan, \$3,510, 15 horses, Edward Hogan; D. Boyce, \$2,250, 9 horses; H. H. Warman, \$485, 2 horses; C. F. Cross, \$1,500, 6 horses; L. B. Reade, \$1,350, 6 horses, endorsed by L. B. Reade and P. W. Carson; W. B. McNeil, \$1,425, 6 horses; W. Allenach, \$225, 1 horse; W. B. McNeil, \$2,375, 10 horses; J. Black, \$200, 1 horse; George McKimm, \$190, 1 horse; A. Humphrey, \$200, 1 horse, endorsed by A. Humphrey and W. H. Humphrey; W. A. Humphrey, \$500, 2 horses; A. McConnell, \$198, 1 horse, endorsed by A. McConnell and identified by E. B. Smith.

Name.	Amount.	No. of Horses.	Endorsed.
	\$		
C. F. Gross	460	2	Noble Steves and F. M. Steves.
W. H. Copp	565	3	
John Coffey	220	1	
W. McWilliams	200	1	
Noble Steves	460	2	
W. B. McNeil	12,154	54	
W. D. Hopper	150	1	
Edward Hogan	4,705	21	
Charles Bryanson	420	2	
B. F. Myles	205	1	
B. Chapman	215	1	James McAnn and J. A. McAnn.
B. E. Smith	225	1	
James McAnn	975	4	
C. F. Gross	325	2	
W. B. McNeil	2,475	11	
J. F. Edgett	225	1	
W. R. Wood	890	4	
P. Hennissey	185	1	
Frank Milton	220	1	
Tilley Ryan	200	1 saddle	
Henry Ross	185	1	

By the Chairman:

Q. One saddle?—A. I suppose it means one saddle horse.

By Mr. Rhodes:

Q. Now, Mr. Fraser, can you give us the total sum paid by Major Anderson, for how many horses, and what it averages per horse?—A. \$44,012; 195 horses; average cost \$225.70.

Q. Now, I think perhaps you could answer the question I wished to put to you a moment ago in connection with the McLeod purchases. Give the number of horses purchased?—A. 77 horses; \$14,635; average \$190.07.

Q. I think, if I mistake not, my intention was to have these cheques cover all purchases made by Colonel McLeod, all horses that were purchased, more than one on a cheque. This involves all cheques where more than one horse was included on a cheque?—A. Yes, those have all got more than one horse.

Q. Now, in connection with Major Anderson's purchases, have you any vouchers or any documents of any kind to show the quality of the horses purchased?—A. None.

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Q. None at all. In other words, you have no more data with respect to these than is the case in connection with the McLeod purchases or the Foster purchases?—A. None.

Q. Now, in the same manner I would like you to go through this list of purchases made by Major General Lessard, of Toronto?—A. (Reads):

Name.	Amount.	No. of Horses.	Signed.
	\$		
C. A. Burns.....	3,150	18	F. T. Lessard and J. A. Campbell.
Union Stock Yards.....	2,545	16	
" ".....	3,770	21	
C. A. Burns.....	530	3	
Maher's Horse Exchange.....	4,345	25	
Union Stock Yards.....	6,240	36	
" ".....	3,205	17	
Maher's Exchange.....	4,600	26	
Union Stock Yards.....	4,915	28	
Maher's Exchange.....	2,705	15	
C. A. Burns.....	3,895	22	
Union Stock Yards.....	8,960	51	
C. A. Burns.....	11,385	65	
Maher's Exchange.....	15,981	91	
" ".....	4,025	23	
Union Stock Yards.....	12,850	73	
" ".....	5,795	33	
" ".....	6,095	35	
C. A. Burns.....	11,160	64	
" ".....	19,600	112	
" ".....	9,800	56	

By Mr. Rhodes:

Q. What is the total amount involved in these purchases?—A. \$145,551, 850 horses, average cost \$171.24.

Q. Have you any vouchers in connection with this list of cheques other than the cheques themselves?—A. No.

Q. Nothing to identify the horses or to describe them?—A. None.

Q. No more data in respect to them than with respect to the other preceding lots. I do not know that is on record, but I would like you to give the total amount of purchases made by A. DeWitt Foster, M.P., how many horses, and what was the average per horse?

Mr. CARVELL: That is on record.

The WITNESS: \$72,994, 428 horses, average cost \$170.54.

By Mr. Rhodes:

Q. The Chairman is asking for the average of that list of cheques I gave you. I think you said \$190.70, was it?—A. It was .07 cents.

By Mr. Kyte:

Q. I would like you to state the total amount of cheques issued by Foster made payable to W. P. McKay. I make it \$19,630, for 113 horses?—A. \$19,630 for 113 horses.

Q. And what is the total amount of the cheques issued to Keever?—A. \$24,475, for 143 horses.

Q. And the total of the cheques issued to E. C. Woodworth—A. \$21,784, for 129 horses.

Q. And the amount of the cheques to Moore?—A. \$3,500 for 22 horses.

Q. And to W. C. Thompson?—A. \$345 for 2 horses.

Q. And to G. S. Oakes?—A. \$2,050 for 12 horses.

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Q. And to J. W. Oakes?—A. \$200 for 1 horse.

Mr. KYTE: Now the rest I think are for individual sales.

By Mr. Carvell:

Q. Have you asked the Militia Department where the descriptions of these horses were to be found or if such a thing exists as a description of the individual horses?—A. I have asked for it, but I have had no reply at all in reference to the description.

By Mr. Kyte:

Q. You have had no reply in answer to your request for them?—A. I have not.

By Mr. Carvell:

Q. You read this morning a form of certificate to be signed by the vendor and certain other parties. Have you any instance at all where such conditions were complied with?—A. I understand that all of those which came from the West complied with that condition.

Q. Have you any sample here among your papers?—A. I think there is one from Calgary.

Q. Here is one (reads):

“Certified that the horse described as follows Geld 7 years 15 hands B (J) L. H. owned by J. B. Macdonald has been this day sold by him to the Department of Militia and Defence of the Government of the Dominion of Canada for the sum of one hundred and fifty dollars (\$150.00).

Dated this 15th day of August, 1914.

J. B. McDONALD,

Vendor,

per G. A. McDonald.

R. G. HARDISTY, Captain,
Purchasing Agent.

I certify that I have examined the above horse and found it is as above described sound, and fit for military service.

C. C. EVELY,

Lieut. C. A. V. C.,

Veterinary Officer.”

Q. Have you many of that kind?—A. Details of that kind are given for all of those vouchers that came from the West.

Q. Have you found that they have any such information as that regarding the horses purchased in the East?—A. They haven't given it to me, and I suppose if they had it they would have given it to me.

Q. Has any official of the Department informed you that they haven't the information?—A. No, not me, no such information has been given me, they are silent on that question.

Q. Have you anything in your office that will show what class of horses were being purchased; I understand that there were three different classes of horses, do you know anything about that?—A. Nothing.

Q. Do you know whether they bought riding horses, draught horses or artillery horses?—A. No, I know nothing at all about them.

By Mr. Blain:

Q. Did you ask for a description, such as Mr. Carvell read, for the horses from the East?—A. Yes, for all the horses that are on that list.

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Q. You asked for such description?—A. Yes.

Q. And of all the horses purchased in Canada, for how many did that description come into your possession?—A. I could not tell you; all those purchased from the 13th Military District, the western horses.

Q. What proportion would that be of the total purchases?—A. They are not in this list at all, they are separate, I understand there are about 350 horses.

Q. Out of how many?—A. 7,477.

Q. The total number purchased?—A. Yes.

Q. And this certificate has come for 350?—A. Yes.

By the Chairman:

Q. I understand him to say this 350 is an addition to that number?—A. Yes.

By Mr. Blain:

Q. The total number was 350 in addition to the 7,477?—A. The 7,477 was without and addition.

By Mr. Carvell:

Q. Did these all go on the First Contingent? How many went with that contingent?—A. The Department informed me that there were 7,620 horses went with the First Contingent.

Q. That number went with the contingent?—A. Yes.

Q. Did they tell you how many had been purchased?—A. They gave me this list that has been produced, and in addition to that there are 350 from the west.

Q. Now let us get that down. They gave you that list containing how many?—

A. For the First Contingent 7,477 horses.

Q. Now in addition to that there were what?—A. 341.

Q. Where did you get that information?—A. From the Militia Department.

By Hon. Mr. Reid:

Q. Did you get it by letter?—A. I have a statement here, I do not know whether it came with a letter, presumably it did.

By Mr. Carvell:

Q. Do you know, or have you been informed whether any horses owned by the department prior to the outbreak of war were included with the horses shipped with the First Contingent?—A. Yes; observing that there were more horses shipped than were got I made inquiries and was informed that some of the horses belonging to the Permanent Force were shipped with the First Contingent.

Q. How many?—A. A letter from the Militia Department dated the 13th March, 1915, in the correspondence subsequent to the Blue-book, informed me that there were 665 horses taken out of the Permanent Force.

Q. Now, if I have correctly added those figures, perhaps you will check them over, that makes a total of 8,483 horses?—A. 8,483, yes.

By Hon. Mr. Reid:

Q. 341 were purchased, you say, Mr. Fraser, in the West, up in Edmonton and brought down here, according to your statement and went on the ship.

Mr. CARVELL: There is no doubt about that at all.

Hon. Mr. REID: I wondered if they would send horses just fresh from the West.

By Mr. Carvell:

Q. That makes a total of 8,483 available to be sent across the water; now, according to the return, they actually sent 7,620; will you subtract that, please?—A. That left 863.

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Q. Have you attempted to get the Militia Department to account for those 863 horses?—A. Yes.

Q. With what success?—A. 466 of them were sold at Quebec and Valcartier, that leaves 397 unaccounted for.

By Mr. Kyte:

Q. You might say right here what price was received by the Department for these horses; I think it was stated in your memorandum?—A. \$25,105.

Q. And the average price was \$55?—A. Some were in the neighbourhood of \$60, I have forgotten the net price.

By Mr. Carvell:

Q. \$25,105. How much \$66?—A. A shade under \$54.

By Mr. Kyte:

Q. What is the average price paid for horses all over Canada by the Government?—A. With the exception of those in the East the general average is \$173.31, and in the West \$151.14.

Q. That is 341 horses?—A. Yes.

By Mr. Carvell:

Q. Have you any figures to show what it cost to transport these horses to Valcartier?—A. They may be somewhere in the accounts.

Q. You have not found it yet?—A. No.

Q. I suppose there is no doubt but what the prices you have been giving are the prices paid at the point of purchase?—A. Yes.

Q. And the Government will have to bear the cost of transportation in addition to that?—A. And other expenses.

Q. Have any of the persons who have purchased horses received any pay for their services as such purchasing agents?—A. I do not recollect. I think I have seen some claims or bills; I have forgotten whether they were paid or not.

Q. Perhaps you can look into that?—A. There is travelling expenses. That is not what you want?

Q. Oh, no, I mean—A. For their services? No, I think there is, I have only heard of one that sent in a bill, a claim for services.

Q. Who was that?—A. Major de la Ronde.

Q. I would call him a Colonel or General?—A. He purchased in the neighbourhood of the Petewawa camp, Pembroke.

Q. He wanted some pay for his services, and do you know whether they were paid or not?—A. I think not. He is in charge of the camp at Petewawa, and I think he was told he was getting his salary.

Hon. Mr. REM: He is an official of the Militia Department.

By Mr. Carvell:

Q. I assume that the veterinaries received some pay. Take down in Nova Scotia we have a number of gentlemen mentioned, Messrs. Gough, Chalmers, Wood, Chipman and so on?—A. It is possible; I do not know. We have not reached the stage in examination of the accounts that would enable me to say that yet.

By Mr. Rhodes:

Q. Mr. Fraser, you have stated that the difference between the number of horses purchased, including the addition of the number of the permanent force, and the number of horses sent forward, also 466 sold at Valcartier, leaves a balance of 399?—A. 397.

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Q. Still unaccounted for. So far as you are aware these horses are still in the possession of the Department?—A. Well, I would hardly say so, because it is current information that some of those horses are dead.

Q. It would be fair to assume that—so far as you, in your official capacity are concerned—they are still in the Department, still owned by the Government?—A. Yes.

By Mr. Kyte:

Q. The lowest average price of horses was in the thirteenth military district in the west?—A. \$151.14.

Q. That is about \$20 lower than the average price paid elsewhere?—A. About \$22.

Q. And it was in the 13th military district only that the cheques were accompanied by vouchers from the vendors?—A. That is all.

Q. Mr. Fraser, by reference to those cheques that were drawn by Mr. Foster, they were drawn upon the Bank of Montreal at Ottawa. Do you know how much money was placed to Mr. Foster's credit by the Government with the Bank of Montreal for the purpose of purchasing horses?—A. I do not think there was any amount placed to the credit of any particular individual. What I understand the transaction was, the Militia Department placed an account in the Bank of Montreal from time to time large sums, \$100,000, and they had some arrangement with the bank—the arrangement I am not aware of—whereby all these parties mentioned in this list—

Q. As purchasers?—A. —as purchasers could draw cheques all against the one account. I do not know whether there were any limitations placed upon their drawing powers or not. I understand they were all to be signed by the purchaser and by the veterinary surgeon.

By Mr. Carvell:

Q. Mr. Fraser, I would like you to bring with you at the next session of the committee, if you will, any information that you may have regarding the cheques which you saw in British Columbia regarding submarines?—A. Cheques or drafts.

Q. Well, both. You have some such information, have you?—A. Yes, I have some.

Q. Will you kindly bring it with you. I want to ask some questions about it.

By the Chairman:

Q. You said this morning something about a voucher or a form that you had lost that was not with your papers, and you spoke of it as having been before this committee?—A. I supposed it was before the committee until I looked for it among those cheques. I do not know where it was lost.

Q. Have you had in your own possession all your own vouchers?—A. Yes.

Q. What do you mean by saying anything could be before the committee unless you brought it here?—A. I would not say that it was or was not before the committee. My recollection of it is this, that attached to one of the cheques was one of these forms describing the horses, and so on. It was on the strength of that form I wrote to the Militia Department asking for the others, and recently I went to look for that among the cheques here and I could not lay my hands on it.

Q. Was it ever produced before this committee?—A. I do not know.

Q. Why did you use that language?—A. I thought it was.

Q. You cannot say?—A. I think it was attached to the cheque.

By Mr. Fowler:

Q. Can you swear you ever saw the cheque at all?—A. Yes, I did not know there was any such form at all until I saw that one attached to the cheque.

Q. One of the Nova Scotia cheques?—A. No, I think it was in the neighbourhood of Ottawa, Kazabazua or Aylmer; and seeing that form I wanted the rest of them.

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Mr. Chairman, I did not mean that it was taken away by any member of the Committee at all.

The CHAIRMAN: It struck me that way.

Mr. KYTE: I am the first person who saw those cheques here in the possession of Mr. Stockton. I asked Mr. Stockton if he would turn up one of those vouchers. Mr. Stockton looked over all the cheques and could not find it.

The CHAIRMAN: That is quite satisfactory.

The WITNESS: I would prefer to say that we lost it ourselves if it is lost; it may be about the office somewhere.

Witness retired.

W. P. MACKAY called, sworn and examined.

By Mr. Carvell:

Q. Where do you reside at the present time?—A. Ottawa, at the present time.

Q. Where was your former home?—A. Truro.

Q. Nova Scotia?—A. Yes.

Q. What is your present position?—A. I am secretary to the Government Whip.

Q. That is Mr. Stanfield?—A. Yes.

Q. How long have you occupied that position?—A. Since the 4th of February.

Q. Of what year?—A. This year, and two other sessions. I came up in November, 1912, and for the session of 1912-13.

Q. That is up to some time in May or June of 1913?—A. June of 1913.

Q. Then when next?—A. Then at the beginning of next session, in January.

Q. Until when?—A. Until February 15th.

Q. To when?—A. Until February 15th, about either the 15th or 20th.

Q. That is 1914?—A. Yes.

Q. Then where did you go?—A. I left Mr. Stanfield to go into other business.

Q. Where was the other business?—A. In Ottawa.

Q. And who were your associates?—A. Nobody.

Q. What was the other business?—A. The fox business, first, until the war broke out, and then I went into the commission business.

Q. Did you have any business associates in connection with the fox business?—A. No, sir.

Q. Did you have an office in Ottawa?—A. I did have, two or three months, yes.

Q. Under what name did you operate?—A. I operated under my own name.

Q. Where was the office?—A. Citizen Building.

Q. On Sparks street?—A. In Ottawa.

Q. Was there a gentleman by the name of Kever interested with you in any way?—A. No, sir.

Q. Was he in your employ?—A. No, sir.

Q. Was he acting as a commission agent for you?—A. No, sir.

Q. Do you know a man of that name?—Very slightly, yes.

Q. What is his Christian name?—A. I could not tell you, sir.

Q. Don't even know that? Did you have any business relations with Mr. DeWitt Foster?—A. No, sir.

Q. Did Mr. Foster have anything to do with the fox stuff?—A. Not with mine.

Q. Then he was running his own?—A. I think so.

Q. Mr. Foster and you had offices together?—A. Yes.

Q. In the same building?—A. Yes.

Q. And were you not in the same business?—A. I do not know what his business was.

Q. He occupied the same office that you did?—A. Exactly.

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Q. And you do not know what his business was?—A. No, sir.

Q. You were not very inquisitive, were you?—A. I am not inquisitive when it is not my own business.

Q. Now, Mr. Mackey, I want to treat you fairly. Do you want to tell this Committee that you occupied the same room and office and did not know what he was doing?—A. I do so.

Q. How long did you occupy that position?—A. What position?

Q. The same room as Mr. Foster?—A. I had a desk in one part of the room, and he in the other.

Q. How long was his desk there?—A. Perhaps two or three months.

Q. Did he start in with you in February of 1914?—A. No, sir.

Q. When did he?—A. I would think that we had the office together for the first time about the middle of June.

Q. Of 1914?—A. Yes.

Q. He had a desk there for three months afterwards?—A. Yes.

Q. That would be away into August or probably September?—A. Perhaps September.

Q. Was Mr. Keever around the office at any time during those three months?—

A. I don't think I ever saw him in the office.

Q. And you do not even know this man's Christian name?—A. I would not be sure whether it is Fred or Frank.

Q. Anyway it commences with "F", does it?—A. Yes.

Q. Do you know a man named Woodworth?—A. I have met him once or twice.

Q. T. C. Woodworth, where did you meet him?—A. In Ottawa.

Q. In the same office in the Citizen Building?—A. And other places too.

Q. But you met him in that office?—A. Yes.

Q. What time did you meet him in that office?—A. I think it was August 1914.

Q. After the war broke out?—A. If it was in August it would be after the war broke out.

Q. Now, I want you to brush up your memory and tell me if you can remember one particular occasion when you, Foster, Woodworth and Keever were all in that office together?—A. No, sir, never.

D. Did you, and Foster and Woodworth ever meet together in that office?—A. We never met together, I was in the office when Woodworth came in, and I frequently went out as soon as he came in; I did that nearly always.

Q. You would leave he and Foster together?—A. Naturally, they were the only ones there when I went out.

Q. Did that happen many times?—A. I cannot tell you how many times.

Q. Did that happen at all?—A. Yes.

Q. Did you ever meet Keever in any other part of the city except that office?—A. At the Chateau.

Q. Have you met Keever at the Chateau in company with Foster, Woodworth, or both?—A. I have met Keever in company with Woodworth and Foster and several others, ladies and gentlemen.

Q. That is purely socially?—A. That is the only way I met them together.

Q. You know nothing about Keever from the business standard?—A. Absolutely nothing.

Q. Was Keever handling black fox stock as well?—A. I could not tell you.

Q. Did Foster handle black fox stock as well?—A. I could not tell you, perhaps he was trying to sell.

Q. You mean by handling black fox stock he was trying to sell it?—A. I think perhaps he was, I have no particular knowledge of his trying to sell it.

Q. Now did you not do the correspondence for him?—A. No, sir.

Q. Did you have a stenographer?—A. I did not.

Q. Did he have one?—A. I think he did, part of the time.

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Q. And when he did not have a stenographer, did you act for him?—A. No, sir.

Q. You are a stenographer, did you not act as stenographer for him?—A. I can write a little myself, enough to satisfy myself and my friends, but I am no star.

Q. Well, anyway after the war broke out you went to Nova Scotia?—A. Yes.

Q. And Mr. Foster was in Nova Scotia?—A. I believe so.

Q. And you saw him there?—A. I saw him down there.

Q. And Mr. Keever was in Nova Scotia?—A. I went with him.

Q. And Mr. Woodworth went to Nova Scotia?—A. I saw him there.

Q. And you all engaged in the horse business?—A. What do you mean by that?

Q. Buying horses?—A. Oh, yes—well Keever and I did, we bought horses, I can tell you that because it came under my observation, but I did not see Woodworth buying horses.

Q. You can take that as a statement of fact that he did?—A. I will take your word for it.

Q. You have been in the Committee Room all day?—A. Not all day.

Q. You did not hear the Auditor General reading out cheques for Woodworth amounting to \$20,000?—A. I do not think I was here.

Q. It is in evidence that you bought horses to the extent of \$19,630, and the number was 113—you sold to Mr. Foster 113 horses for which he paid you in cheques drawn on the Bank of Montreal amounting to \$19,630, that is correct, is it?—A. I think so.

Q. How many horses did you own when you went down to Nova Scotia?—A. I don't think I owned any.

Q. Did you ever own a horse in your life?—A. Oh, yes.

Q. You really have had a horse then?—A. Yes.

Q. Are you a good judge of horses?—A. I can tell a good-looking horse when I see one.

Q. Can you tell a sound horse from an unsound one?—A. I can get a good veterinary to tell me that.

Q. You do not profess to be a judge of horses? Tell me from whom you purchased 113 horses?—A. From various farmers throughout Nova Scotia.

Q. Will you give me the names of some of them?—A. I really could not give you the names.

Q. Do you mean to tell me that you bought horses for Foster and you cannot give me the names of those you purchased from?—A. I cannot.

Q. Can you remember the names of any one you purchased from? I do not want any "Smart Aleck" business. (No answer).

Q. Do you mean to tell me that you purchased these horses and did not keep a record of the men from whom you purchased them.—A. I did not say that. You asked me if I remembered the names of the men I purchased from. I have not got that information now; I did have it, but I gave it to Keever.

Q. Where is Keever now? He has flown the coop and we can't get it. So you did not keep copies of it?—A. I gave it to Keever.

Q. Do you want me to believe that?—A. I do not care whether you do or not.

Q. Did you make up a list and give it to Keever?—A. I will tell you exactly how I did it: Every horse we bought I had a slip with a perforation in it, and when the veterinary examined the horse and found it satisfactory he gave me the other half of the strip; when I made a dicker with a man regarding the price I took a note of it, and when it came I gave him the money, he gave us his receipt, and we took the horse.

Q. Who got the receipt?—A. I did.

Q. And where is the receipt?—A. I gave it to Keever.

Q. And Keever has flown the coop again, and you want the Committee to believe that, do you, and you don't know the man well enough to know his name—when did you see Keever last?—A. I think it would be the 6th of September.

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Q. Where did you see him?—A. I saw him on the train when he left me in Montreal and I came to Ottawa.

Q. Which way was he pointing?—A. About the same way I was.

Q. Did he go to the United States?—A. I do not know.

Q. Have you never heard anything from Kever since?—A. I have never heard his name mentioned, I don't think, since.

Q. Has he gone to the front?—A. He is an American, I think, I do not know.

Q. Did you keep any other record of these purchases excepting what you gave Kever?—A. Isn't that enough?

Q. Will you answer my question, did you or did you not keep a record?—A. I kept a book.

Q. And you also gave that to Kever?—A. I gave everything to him. Kever told me what to do, I did it, and gave him the record of the horses I bought.

Q. You sold to Kever, according to that?—A. I sold to the Government, but Kever told me to go and get the horses.

Q. And Kever was your superior, to some extent?—A. To some extent—he paid all expenses.

Q. You were acting under his instructions?—A. Yes.

Q. Who told you to act under his instructions?—A. Kever.

Q. But you did not know very much about this man before that?—A. I met him, as I have told you, in Ottawa.

Q. And acting simply on the instructions of Kever you went out and bought these horses?—A. Yes.

Q. And was it Kever gave you the money?—A. Yes.

Q. There is no doubt about that now?—A. Well, as I told you I went to Berwick one day and bought a number of horses; I telephoned to Kever and he sent the money over, it came over by cheque.

Q. That is Kever sent you a cheque?—A. Yes.

Q. Produce those cheques, will you please?

Cheques produced by Auditor General.

Q. Now here are a number of cheques, will you kindly look them over and see if they are in your favour?—A. These are in my favour, yes.

Q. And these are all your endorsements?—A. Yes.

Q. Do you find Kever's name on any of these cheques?—A. I don't think so.

Q. Just look them over carefully and see? (Witness examines cheques.)

Q. Do you find his name on any of those?—A. No.

Q. And those are the cheques on which you obtained the money?—A. Yes.

Q. And you tell us those cheques were sent you by Mr. Kever?—A. Well, not all of them, I bought a horse at Kentville, I was bound to have that single cheque made out, and I could not be certain whether it was he or Mr. Oakes that I got the cheque from.

Q. Mr. Oakes, who was Mr. Oakes?—A. I do not know who he was, I understood he was assisting in every way, and found me the proper localities in which to buy horses, and found me the proper men to take care of them after they were bought, and he gave Mr. Kever all the assistance he could to get the horses.

Q. Did you ever receive any of the cheques directly from Mr. Foster?—A. No, sir.

Q. You know the cheques are signed by Mr. Foster, don't you?—A. Yes.

Q. Did you get any of these cheques—take for instance the cheque for \$8,641, did you have the horses purchased when you received that cheque?—A. Yes.

Q. Had you paid for them?—A. I think that cheque was to pay for them.

Q. Did you pay these individual farmers by cheque or in money?—A. In money.

Q. Can you remember the name of any one farmer from whom you purchased horses?—A. I can remember the name of Chute, I think.

Q. What is his Christian name?—A. I don't know.

Q. How much did you pay him?—A. \$200 apiece, I think.

Q. For how many?—A. One pair.

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By Mr. Carvell:

Q. Go on. Any others that you can remember? Where does Chute live?—A. A little outside Berwick.

Q. Go on. Give me that other list of names, please.

By Mr. Fowler:

Q. Would that be S. B. Chute?—A. I do not know, sir, I do not know the initials at all.

By Mr. Carvell:

Q. Is that the only name you can remember?—A. I think I bought one horse from a man named Bligh, in Berwick.

Q. What did you pay him?—A. Could not tell you.

Q. Where does he live?—A. Berwick.

Q. Now, give me the names of the others.

The CHAIRMAN: Is this a memory test, Mr. Carvell?

Mr. CARVELL: It may answer a number of purposes.

By Mr. Carvell:

Q. Now, Mr. MacKay, can you remember any others from whom you purchased horses?—A. No, I cannot remember these names.

Q. Give it up?—A. I do not give it up, and I do not try to.

Q. I think that is an honest answer. I agree with you there. Did you buy horses from a Henry Sweet of Billtown?—A. I do not remember the name. I do not remember any other that may have come from there.

Q. Did you buy a horse from Perry Sweet?—A. Could not say.

Q. Did you buy a horse from a man named George Porter?—A. I do not think I remember that name either.

Q. Do you remember buying a horse, 20 years old, that had the heaves, and paying George Porter \$165 for it?—A. Did I do that? I say I did not.

Q. You did not do that?—A. No.

Q. Then you were not the purchaser of that?—A. Porter must have known me better than I know him.

Q. Did you buy any horses as low as \$90?—A. No, I think not, sir.

Q. That is as far as you can go in giving us the names and the prices?—A. Just about as far. I got the receipts and handed them over. I didn't expect to meet these men again so I didn't think it would be necessary to remember them.

Q. It is not convenient?—A. It is not convenient. I do not remember them; that is all there is about it.

By Mr. Fowler:

Q. You don't live in that county?—A. No, sir.

By Mr. Carvell:

Q. Did you buy any horses in Hants county?—A. No, sir.

Q. Who operated there?—A. I think Mr. Keever bought some horses in Hants county.

Q. Do you know where Mr. Woodworth operated?—A. No, sir.

Q. Do you know a man named Walter Moore?—A. Yes, sir.

Q. Where does he live?—A. He keeps a livery stable in Kentville.

Q. Did he buy any horses to your knowledge?—A. Did he buy any?

Q. Yes, for you, or Mr. Keever, or the Government?—A. Oh I do not think so. He might have. I do not know who bought except myself.

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- Q. You have no knowledge of Mr. Moore at all?—A. I met him several times.
- Q. Who was the veterinary you had with you while you were doing the purchasing?—A. Dr. Chipman.
- Q. Where does Mr. Chipman live?—A. Kentville.
- Q. Do you know whether or not Mr. Chipman kept a record of these horses?—A. I could not tell you, I do not think so.
- Q. Why don't you think Mr. Chipman kept a record?—A. I don't think he had time.
- Q. Well, he was the veterinary, was he?—A. Yes.
- Q. And he is a reputable veterinary, is he not?—A. I believe so.
- Q. Did you ever know him before you met him in Kentville?—A. No, sir.
- Q. He certified that these horses were all sound?—A. He did, yes.
- Q. Did he do that in writing?—A. Did he do that in writing? Well, when a veterinary signs a cheque isn't that subscribing to the condition of the horse?
- Q. Let us test that out. Mr. Chipman signs a cheque, here, for \$3,060, and it is signed A. DeWitt Foster—I want to read this whole cheque to you (Reads):

Bank of Montreal,
Ottawa.

SEPTEMBER 3, 1914.

Pay to W. P. McKay or order, three thousand and sixty dollars (\$3,060),
being value for eighteen horses.

A. DEWITT FOSTER, MP.,
Purchaser.

GEORGE R. CHIPMAN,
Veterinary Inspecting Officer.

- Do you see anything in that which tells whether he inspected the horses or not?—A. I would say he did, yes.
- Q. Do you see anything on that cheque which says he inspects the horses?—A. No.
- Q. He would not inspect these horses in your presence?—A. I may have been dickering with some man while he was inspecting another horse.
- Q. Did he make a written report to you of the result of his inspection in each case?—A. Yes, that was the perforated slip.
- Q. That has gone with Mr. Keever?—A. I do not know where it has gone. I fulfilled my part absolutely, the same way I would do if I went down with you.
- Q. You would not have any hesitation in swearing that Mr. Foster had nothing to do with you?—A. Not a bit in the world.
- Q. Did not even know you were buying horses?—A. Oh, I daresay he knew that too. He was handier; he probably knew about it; it was his own county.
- Q. That is the only way he would know?—A. I did not go down under his instruction.
- Q. You had no arrangements with Mr. Foster?—A. None whatever.
- Q. So far as you know you started in without Foster knowing it?—A. I believe that is true.
- Q. You really believe that you commenced buying horses in Nova Scotia, and he did not know about it?—A. I do not believe he did until some days after.
- Q. Did he express some surprise about it?—A. He had nothing to do with me.
- Q. Did he give you cheques for \$19,000?—A. I gave him the horses, and good ones too.
- Q. And he gave you the cheques?—A. I suppose so.
- Q. Do you know?—A. I got the cheques and paid for the horses, signed by him.
- Q. And you did all this without instructions or knowledge from Mr. Foster?—A. Yes, sir.

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Q. You expect this Committee to believe that?—A. I do not care whether they believe it; that is the truth. They need not believe it.

Q. All right?—A. I will take a chance with the Committee; I would not with you, though.

Q. Did you have any arrangements of any kind with Mr. Woodworth?—A. No, sir.

Q. Did you receive any instructions from Mr. Woodworth?—A. No, sir.

Q. Do you know whether Mr. Foster received any instructions from Mr. Woodworth?—A. I do not.

Q. Do you know where Mr. Woodworth is?—A. No, sir.

Q. When have you seen him last?—A. Well, I don't know when I saw him last.

Q. Well, come as near to it as you can?—A. Probably the first of November, or around there some place.

Q. Where did you see him?—A. Where did I see him?

Q. Yes?—A. I think the last time I saw him was, I think, October. I could not tell you where, not in the office, it was on the street.

Q. What office?—A. My office.

Q. You came back to Ottawa and opened up the office?—A. Yes.

Q. How long were you gone on this transaction?—A. About a fortnight perhaps.

Q. How much money did you make?—A. Not a cent.

Q. Did you not even get paid for your travelling expenses?—A. Yes.

Q. Who paid you that?—A. Mr. Kever.

Q. My! What a godfather he was.—A. Great, altogether.

Q. Did he pay you any commission?—A. No, sir.

Q. Not a cent?—A. No, sir.

Q. Purely patriotic?—A. What do you mean by a commission, so much per horse?

Q. Don't you think you had better move to Toronto?—A. No, sir.

Q. I think a saint like you ought to be in holy Toronto.

Mr. FOWLER: Why do you insult this man?

By Mr. Carvell:

Q. And you have received not a cent at all, not a cent of commission?—A. What do you mean by commission, so much per horse.

Q. Yes, not a cent on the amount of money invested?—A. Not a cent on the amount of money invested.

Q. Did you receive expenses for driving around the country, You must have undergone some expense?—A. I went around by automobile; I did not pay for them.

Q. Mr. Kever paid all those?—A. I do not know.

Q. You did not anyway. Do you remember whether Mr. Foster paid any of these expenses?—A. Could not tell you, sir.

Q. Have you any arrangements with Mr. Foster that he is to pay you a commission?—A. Absolutely none.

Q. Have you any arrangement with any person by which you are to receive any pay for your fortnight's services in purchasing these hoses?—A. Absolutely none.

Q. You did it purely as a patriotic move on your own part?—A. Before I left I got \$50 for my expenses.

Q. You got that from Mr. Kever?—A. Yes.

Q. You said you had received nothing from him?—A. You were talking about commission, so much per horse.

Q. I know, and you say you did not receive any, but you received something for expenses?—A. I received \$50 on the start, and \$150 afterwards. And out of that I paid my expenses in Kentville and my railway fare back; and I suppose I got here with \$75.

Q. That was very small?—A. I hope I will work for you and get better pay.

Q. I do not want to be personal, but when I want to buy some horses I will try and find a man who will keep a record.

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The CHAIRMAN: Let us go along.

The WITNESS: I kept a record, and gave it to the man——

By Mr. Carvell:

Q. And you gave it to the man from whom you received your instructions?—A. I bought at a clear price, and got the receipt of the man. That is all the connection I had with it.

Q. Did Mr. Foster ever ask you to give him a list of these horses?—A. I have never had any conversation with Mr. Foster about horses.

Q. Did you and Mr. Foster ever discuss this matter within the last two months?—A. Not a word.

Q. I do not suppose that you and Mr. Foster hardly speak when you meet on the street?—A. I have not spoken to Mr. Foster ten words within the last two months.

By Mr. Kyte:

Q. Strained relations?—A. Strained relations? I am as friendly with him as ever.

By Mr. Carvell:

Q. What is the highest price you paid for a horse?—A. Well, I am under the impression I paid \$210 for one.

Q. What kind of horses were you purchasing?—A. We were purchasing saddle horses, artillery horses, and driving horses.

Q. I have here a poster, which I will show to you; although it is all printed it is not signed by any person: "Military horses wanted." Will you look this over and say if you have ever seen any of these posters before?—A. Yes.

Q. You recognize this as being a sample of the posters that were in existence in Nova Scotia at that time?—A. Yes, sir.

Q. This was supposed, or purports to be signed by Col. W. J. Neil, did you get any instructions from Neil?—A. I was not under any instructions at all from him. I think, Mr. Carvell, when we put these posters out we marked Neil's name out with a blue pencil.

Q. This is not marked out there?—A. I do not think we had anything to do with that poster; we had a poster like that, and we filled in on the poster the place where the horses would be inspected at.

Q. Look at it carefully.—A. Those that we used stated that we wanted the horses and that they would be inspected in such and such a place, and I remember that we put out this line with blue pencil and also this line here, that "Owners of horses will be notified."

Q. You were required to purchase riding horses, five years old and fifteen to sixteen hands high, weight from a thousand to 1,500 pounds; how many of that kind of horses did you purchase?—A. We tried to purchase two of those to one of artillery and one of draught.

Q. How did you succeed?—A. That is the way we kept it up all the way through.

Q. And artillery horses five to eight years old, fifteen to sixteen hands and weight 1,050 to 1,250 pounds, what proportion of that weight did you purchase?—A. I think about one-quarter.

Q. And the third would be draught horses five to eight years old, 15.2 to 16 hands high, weight 1,250 to 1,400 pounds; how many of that class did you buy?—A. About the same as the artillery.

Q. What would you say would be the average price you paid for draught horses?—A. I think the average would be about \$200.

Q. For the draught horses that would be in the vicinity of 26 or 27 of them you bought at \$200 each.—A. Why would it be 26 or 27?

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Q. According to what you say you bought 113 horses, am I right in my figures?—
A. It figured out 2 saddle, 1 artillery and 1 draught.

Q. I had made this up approximately, according to your estimate, there would be 26 or 27 draught horses?—A. Yes.

Q. And the average \$200 each? And then there is the same number of artillery horses?—A. I think so.

Q. And what would you say would be the average price for them?—A. Pretty nearly the same price.

Q. About the same price?—A. About \$190.

Q. Then the other half of them, were the lighter horses or riding horses?—A. Yes.

Q. What would be the average price for those?—A. They went from \$140 to \$160 and \$170.

Q. Would \$150 be a fair average?—A. I could not tell you the average. I had it in this book and I reported the number we purchased. I tried to keep to the average, and all the information regarding the price and everything.

Q. It is very unfortunate that is not here?—A. Very unfortunate.

Q. Have you made any effort to find that in the last two weeks?—A. I don't want to find it.

Q. Of course you didn't, but you didn't find them?—A. What would I want them for? I don't want to find them.

Q. Now, you have known for some little time you were to be a witness here?—A. For four days, or perhaps five or six days.

Q. And in the face of that knowledge you come here and tell us that you made no effort to locate it?—A. I was making an effort to get rid of a sore throat.

Q. Have you tried to find Keever?—A. No, sir, I have been occupied all this time.

Q. You have known that this question of horses was brought up in the House of Commons over a month ago?—A. I think so.

Q. Now, did you see the reference to this Committee?—A. I think so.

Q. Did you make any attempt after that to find Keever?—A. I had no reason to do so.

Q. Never mind arguing, answer the question?—A. I am not arguing.

Q. Did you try find Keever?—A. No, sir.

Q. Did you ask Mr. Stanfield if he knew where Keever was?—A. I ask Mr. Stanfield sensible questions.

Q. Answer my question did you ask Mr. Stanfield if he knew where Keever was?—A. No, I would not ask him that.

Q. And did you ask Mr. Foster?—A. If he had come around I might have but I do not know any reason why I should.

Q. I am only asking you did you ask Mr. Foster?—A. No.

Q. When have you spoken to Mr. Foster last?—A. About half an hour ago, when I passed him here.

Q. And when before that?—A. I saw him yesterday, coming up in the elevator.

Q. Going farther back, when did you see him before that?—A. It was so long ago I really could not tell you.

Q. Would it be three months?—A. I do not think so.

Q. Would it be two months?—A. Perhaps.

Q. Do you mean to say that you haven't spoken to Mr. Foster for two months prior to seeing him on the elevator yesterday?—A. The last time I saw him to have a conversation with him was about the opening day of the House.

Q. That would be about two months ago?—A. Yes.

Q. Did you have any personal conversation with him?—A. No personal conversation, except when I met him.

Q. Did you have any conversation with him, when you met him, about this investigation?—A. No.

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Q. Then I am safe in saying that at any time you have had no conversation with Mr. Foster about this investigation?—A. You are safe in saying that.

Q. What in your judgment, is the lowest price you paid any man for horses in King's county?—A. I do not know, I think I paid \$125.

Q. That you would put as the lowest price paid to any person?—A. Yes.

By Mr. Fowler:

Q. One question; you spent some \$19,000 odd for the purchase of horses?—A. Yes.

Q. Did you pay every dollar of this money to the farmers from whom you bought the horses?—A. Every dollar and every cent.

By Mr. Carvell:

Q. And you haven't any record of those purchases?—A. No record, I have the horses, and you have my word.

Q. I hear the glue factory has some of the horses now. Were these horses marked in any way?—A. They were all tagged, each of the horses had a bridle and tie on it, and a perforated slip with the number was put on the bridle.

Q. Did that slip show the prices?—A. No, sir, just the number.

Q. Just the number?—A. Just the number.

Q. Was there any marking or branding done?—A. Not that I know of.

Q. To whom did you deliver the horses?—A. To the man in the district who was supposed to be a reputable man and who would take charge of them.

Q. Did you have the choice of these men, or were they pointed out to you by some other person?—A. They were pointed out by the man in the district.

Q. We will say that John Jones would point out a man to you to take charge of the horses; did you exercise your own judgment as to whom you gave the horses?—A. Mr. Oakes would go and see the place, and he knew the reputable men in each district.

Q. And Mr. Oakes would be the man who would tell you where to leave the horses?—A. He pointed out the best man to take charge of them.

Q. And you acted on his judgment in leaving the horses at the different places?—A. Yes.

Q. Did you always take charge of the horse when you paid for him, or did you pay for him and ask the seller to bring the horse to you at a stated time?—A. We always took charge of the horse first.

Q. You took charge of the horse first?—A. Yes.

Q. That is you had the horse in your possession before you paid for it?—A. Yes.

Q. And then you left these horses at certain central depots of some kind, pointed out to you by Mr. Oakes, and that would be the man who would take care of them?—A. Yes.

Q. Did you have any care or control of the horses after handing them over to Mr. Oakes' man?—A. Personally?

Q. Yes?—A. No, I do not believe I did; except that I knew every horse I bought was shipped.

Q. How do you know that?—A. I know that I bought so many horses and I know that they were all shipped on the car.

Q. That is you know the same number of horses went out?—A. Yes.

Q. But do you know that they were the identical horses?—A. No, I could not tell you that; they are honest men down there.

Q. Haven't you a pretty shrewd suspicion that horses you bought did not go out on the cars?—A. You say some of them went to the glue factory, I have no reason to think so.

Q. You have heard that they did, haven't you?—A. No, sir.

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Q. Haven't you ever heard that horses, other than those you supposed you were buying, were put on the cars and sent away?—A. Are you not yourself confusing this with the South African war, I heard that did occur in the South African war.

Q. Did you ever hear that the identical horses that you purchased were not delivered and did not go with the troops?—A. No, sir, that is news to me.

Q. That is news to you?—A. It is news to me.

Q. And if we prove it it would be news to you?—A. If you prove it.

The CHAIRMAN: Will you undertake to prove that, Mr. Carvell?

Mr. CARVELL: I say I have given no undertaking to prove it.

The CHAIRMAN: I do not think it is fair in an inquiry such as this for counsel to make statements casting reflections without giving the Committee some undertaking that he intends to produce the evidence to prove the statements.

Mr. CARVELL: When I give an undertaking I will carry it out.

By Mr. Carvell:

Q. Have you made any attempts, through any other source, other than the persons I have mentioned to you, to locate Keever in the last two months?—A. No, sir.

Q. Where did you first meet Mr. Keever?—A. In Ottawa.

Q. Have you any knowledge where he came from before that?—A. No, sir, nor since.

Q. You have not any idea where his home is?—A. No, sir. I think he comes from down near Carleton County originally. I heard him talk about some of his friends down there.

Q. Don't you know that you are making a false statement?—A. No, I know I am telling the truth.

Q. You know he does not come from New Brunswick?—A. He wanted to go home one Saturday night, and wanted to catch the St. John express to see his mother, and I think he lives very near to your county.

Q. Maybe he lives in the State of Maine. We have a few men down there, I am sorry to say, who are not saints, but we have no Keevers; and I am glad to say, we have not any Mackays.—A. Any what?

Q. No Mackays.—A. I do not care what you are glad to think about.

By Mr. Kyte:

Q. Do you know the veterinary who signed some of these cheques John F. Wood? —A. I think he belongs to Kentville.

Q. He is a veterinary practising in Kentville?—A. He was at that time.

Q. Do you know where Woodworth is a native of?—A. I think he was born in Kentville.

Q. Do you know where he came from when he arrived at Kentville?—A. No, sir.

Q. Did you know he was, or professes to be, a mining engineer in New York?—A. I knew him many years ago.

Q. He was formerly member for Kings?—A. I understood he was a mining engineer, living in New York.

Q. Where did you understand he came from?—A. I did not understand he came from there.

Q. Where did you say you last saw him?—A. I think I saw him in front of the Chateau one day, either about the first of November or the last of October, I am not sure which.

Q. You did not see him very frèquently after you separated?—A. No, or before.

Q. How much did you say you got out of this deal altogether?—A. How much did I get?

Q. Yes?—A. To pay my expenses?

Q. I do not care what you did with it?—A. About \$150.

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Q. In two weeks?—A. A little over two weeks.

Q. What was your salary as secretary to Mr. Stanfield?—A. \$5 a day. I was not with Mr. Stanfield then.

Q. I know.

By Mr. Proulx:

Q. I thought you said you got \$50 and then \$150?—A. No, I got \$150 altogether. I got \$50 to start with.

Q. How much after?—A. \$100.

Q. You swear you did not get anything else?—A. I swear I did not.

Mr. RHODES: Mr. Carvell has made one or two statements. I only propose to make one; and I wish to do that in justice to Mr. Mackay. I have known Mr. Mackay personally and intimately for 25 years, and he bears a reputation in his community as being an honest and honourable man. I have no hesitation in saying that in my judgment that characterization is absolutely true. I believe him to be honest, and honourable, and have always found him so. I make that statement in view of the circumstance that Mr. Carvell has thrown some aspersions upon his honesty.

Mr. CARVELL: I may say that the evidence of this witness is not pleasing you very much if you have to give him a certificate like that.

Mr. RHODES: You have abused your position times without number in investigation after investigation to my knowledge. I do it entirely in consequence of what you have blurted out here for the benefit of the press.

By Mr. Rhodes:

Q. Mr. Mackay, I would like to ask you one question. When Mr. Carvell asked you a short time ago if you sold 113 horses my impression is that you made the statement, I have not sold 113 horses to Mr. Foster. I want to make the record absolutely clear in that respect. Did you sell any horses to Mr. Foster?—A. To Mr. Foster? What do you mean?

Q. I understood Mr. Carvell to put the question in that way that you sold 113 horses to Mr. Foster?—A. I bought the 113 horses; I got the cheque for them, and handed them over to Mr. Kever.

Q. You bought them for Mr. Kever?—A. Certainly.

Mr. CARVELL: And Mr. Foster paid you?

Mr. RHODES: You had your examination for an hour.

Mr. CARVELL: I am following the ruling of the Chairman that any member of the Committee has a right to interfere at any time.

The CHAIRMAN: I did not make any such ruling.

Mr. CARVELL: Then you changed that ruling.

The CHAIRMAN: I did not change anything.

By Mr. Rhodes:

Q. How long were you engaged in the purchase of those horses?—A. A little over a fortnight.

Q. Were you on the ground that long?—A. Just about that time.

Q. When had you been in that district before?—A. I have not been there for, oh, I do not know when.

Q. How many times in your life?—A. I do not think I have ever been in Kentville before.

Q. Or in the district of Berwick, when had you been there before?—A. A great many years ago.

Q. And you did not know the people or the district well?—A. No, not at all.

Q. And you have not been there since?—A. No, sir.

Q. What reputation does Dr. Chipman, the veterinary, bear in the district as far as you know?—A. Everybody I heard speak of him spoke of him very highly.

By Mr. Carvell:

Q. Did Dr. Chipman, or whatever he is, know in every case the prices you were paying for the horses?—A. No, sir, I do not think so.

Q. Would he know in any cases?—A. Yes, sir, a great many.

Q. Then, you think he could not, even with his knowledge, of the people, make up a list of the prices which were paid for each of these horses?—A. I do not think he could make an attempt to do it.

By Mr. Kyte:

Q. Could Mr. Wood?—A. Mr. Wood was never with me.

Q. He was never with you?—A. I do not think so.

By Mr. Carvell:

Q. There is no source in the world through which this record can be made excepting Mr. Keever?—A. I do not know. I know that I do not know what Mr. Keever did with it.

Q. Let us get back. I asked you if there is any other source in the world that you know of from which a record can be made, showing the price paid for each horse, excepting Mr. Keever?—A. That is the only way I would know.

By the Chairman:

Q. Or the production of the slips?—A. Yes.

Mr. CARVELL: He says he gave those to Mr. Keever.

The WITNESS: Mr. Keever instructed me to buy these horses; and when I finished with Mr. Keever I gave him the horses, showed him where the money went, and got a clean sheet from Mr. Keever.

By Mr. Carvell:

Q. And you got the money from Mr. Foster?—A. I do not think so, no.

Q. You got it through Mr. Foster's cheques jointly with the veterinary. That is right?—A. Yes.

Q. I do not know whether I asked you this question before or not: Did you leave Ottawa and go to Nova Scotia at the express request of Mr. Keever?—A. Yes.

Q. And without the knowledge of Mr. Foster?—A. I do not know whether Mr. Foster knew it at all.

Q. As far as you know?—A. As far as I know.

By Mr. Kyte:

Q. I notice there is a cheque given to you for \$160 presumably for the price of a horse, which is signed by Wood. Would not that indicate that he had something to do with that horse?—A. That is probably a horse in Kentville that somebody would have to examine.

Q. Here is another cheque signed by Wood?—A. He examined the horses, I had bought them.

Q. Here is another cheque for \$330 signed by John F. Wood?—A. Yes.

Q. He inspected a good many, so the statement you made before was not correct?—A. I had Chipman in my mind. I thought Chipman was with me all the time.

Q. Would Dr. Wood know the prices you paid?—A. I think not.

Q. He would not be able to throw any light on this either?—A. No, Mr. Kyte, the veterinary sometimes gave me an idea of what the man was charging for his

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horse. After I would go to the man he would charge more than that or less as the case may be. I made the best bargain I could.

By Mr. Carvell:

Q. Did you make any bargain without consulting the veterinary as to the price?
—A. None whatever.

Q. You made the best bargain you could for your employer?—A. We were restricted to a certain amount. I was acting in the interest of my employer. You understand I had to buy some horses at \$200, and others I got much lower. I could not go over \$170 on the average.

Q. You were buying through Mr. Keever?—A. Under a certain limit.

Q. When you say you bought the horses at the best price, you mean in the interests of your employer?—A. Trying to bring the average of the \$200 horse to \$170 if I could.

Witness discharged.

LOUIS PHILIPPE PARENT, called, sworn and examined.

Mr. CARVELL: I want to state, Mr. Chairman, that witness was subpoenaed from Quebec by the name of Phillippe Parent. I understood this gentleman was here, and I called him, although my information is that this is not the Phillippe Parent who was intended to be subpoenaed. But we can examine him and see.

By Mr. Carvell:

(Evidence of witness given in French and translated by Mr. Pacaud, M.P.)

Q. Where do you reside?—A. In Quebec.

Q. How far is that from Valcartier Camp?—A. 15 or 16 miles.

Q. What is your business or occupation in the summer time?—A. Chauffer of an automobile.

Q. Were you engaged in this business during the months of September and October last?—A. Yes.

Q. And did your business call you frequently to Valcartier Camp?—A. Yes, about four times a day.

Q. On any of these occasions, when going to Valcartier Camp, did you see any horses being shot?—A. I saw five.

Q. Will you describe the circumstances and tell, as far as you know, who was doing the shooting?—A. I do not know who it was, the horses were sick.

Q. Who told you the horses were sick?—A. The guardian of the horses told me they were sick.

Q. Who were the guardians of the horses who did told you that?—A. I do not know their names.

Q. Did you see them shooting five horses?—A. Two were already shot when I arrived and I saw three of them shot.

Q. Did you see any other horses which had been shot?—A. There were some dead.

Q. How many?—A. I saw six dead horses they were carrying to Quebec.

Q. That is in addition to the five that you saw killed?—A. Yes.

Q. That would make eleven in all?—A. Yes.

Q. Did you not tell some person in Quebec that you had seen forty of these dead horses?—A. No.

Q. Who was it who was taking these dead horses to Quebec?—A. A man named Mr. Marquis.

Q. Who was Mr. Marquis?—A. He has a glue factory.

Q. He runs a glue factory, and were these horses being taken to his factory?—A. All the horses that were shot went to his place; it was Mr. Marquis and his men that were bringing them from Valcartier to Quebec.

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Q. Do you know where Mr. Marquis is now?—A. I do not.

Mr. CARVELL: I would like to ask, Mr. Chairman, if this Mr. Marquis is the gentleman from whom a letter was read yesterday.

The CHAIRMAN: That letter was from Carnac Marquis, I do not know whether it is the same man.

By Mr. Carvell:

Q. Do you know any other officer or carter or person employed by Mr. Marquis?—A. No.

Q. Do you know any person in Mr. Marquis' employ, or any man that you saw hauling the horses, that could tell the Committee how many horses were taken from Valcartier Camp to this glue factory?—A. No, I do not know.

Q. You cannot tell us of anybody?—A. No.

Q. Has Mr. Marquis a son employed in the business with him?—A. I do not know.

Q. Have you a brother named Raoul?—A. Yes.

Q. Where is he?—A. Quebec.

Q. Was he employed by anybody there during the time of the Valcartier Camp or after the soldiers went away?—A. No, he was just travelling like I was, down to Valcartier and back.

Q. Do you know whether your brother saw any horses shot or not?—A. No, I do not.

By Mr. Proulx:

Q. Didn't you see more than 11 killed?—A. Yes, just 11.

Q. Why did you say you had seen about 40?—A. I never said that.

Mr. PROULX: I am quite sure he did.

By Mr. Proulx:

Q. How many times did you go to Valcartier?—A. Sometimes four times in a day.

Q. How many days did you go?—A. From July until the time there were soldiers there.

Q. How many horses did you see being transported to Marquis's factory?—A. There were six horses, two in each; and there were three carriages that I saw.

Q. Did you speak to anybody since one o'clock about this matter?—A. No.

By the Chairman:

Q. Were the men who shot the horses in military uniform?—A. Two of them were in uniform.

By Mr. Proulx:

Q. Why did you tell me this afternoon you had seen forty?—A. You misunderstood me.

Mr. PROULX: I understood him well.

Witness discharged.

Colonel JOHN D. DUCHENE called and discharged from further attendance.

Lt.-Col. JOHN STONEMAN, called, sworn and examined.

By Mr. Carvell:

Q. Where do you reside?—A. Hamilton.

Q. Are you an officer of the Militia of Canada?—A. I am a retired officer.

Q. How long were you actively connected with the Militia of Canada?—A. Forty-five years, still connected.

Q. Actively, I said?—A. Forty-five years.

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Q. How long have you been on retired list?—A. About seven years.

Q. What was your old regiment?—A. The 13th.

Q. During your long military experience have you given any attention to military matters and appliances?—A. I made it rather a study, yes.

Q. Tell me the articles you have studied and considered with a view to greater proficiency and safety?—A. Well, I advocated the introduction of machine guns for the last twenty-five years. I was also one of the first proposers of the use of barbed wire fences long before they were used in Cuba.

Q. And both these ideas have been utilized very fully in the present war?—A. Yes. I also introduced the idea of a combined spade and shield, both for individuals and for Maxim guns.

Q. When did you first conceive the idea of a spade and shield?—A. Somewhere about 1900, or 1902.

Q. Will you describe the device as you understood it at that time?—A. Well, I made two devices, one for the individual and one for the machine gun. This is the blueprint that I got made for the individual (producing), and the machine gun is larger.

Q. And this blueprint is taken from a drawing made about what time did you say?—A. That was made just about the time the war commenced.

Q. This drawing was?—A. Yes.

Q. But you had the idea?—A. Years before, yes.

Q. Had you discussed it with your brother officers?—A. Yes, fifty of them.

Q. Was there any officer in Ottawa with whom you had discussed the matter?—

A. Yes, Colonel Morrison. I wrote to Colonel Morrison about it.

Q. When?—A. 1908 or 1909, 1909 I think it was.

The CHAIRMAN: I have been trying to see how this evidence comes in.

Mr. CARVELL: It is the purchase of these combined shields and spades.

The CHAIRMAN: It is referred to in this Sessional Paper?

Mr. CARVELL: Yes.

By Mr. Carvell:

Q. And you wrote to Colonel Morrison. Now, did you write any other person in Ottawa about it?—A. Oh, well, that was in 1909. No, he was called away to Petawawa, I think and afterwards to South Africa. There is a letter somewhere from him.

Q. Well, then the substance of your evidence is that at the time the present unfortunate war broke out in August you had discussed this at least with fifty Canadian officers?—A. Oh, long before that.

Q. And had you plans and drawings made of it before that?—A. No, I immediately went and got them made. And I sent one to the President of France, one to "Bobs"; one to the President of the United States; and one to Kitchener.

Q. Did you get replies from any of these parties?—A. I got replies from all of them except General Hughes.

Q. You did not say you sent one to General Hughes?—A. Yes.

Q. You sent one to the President of the United States to the President of France, to Lord Kitchener and to General Roberts?—A. Yes, I have all their answers here.

Q. I think it would be interesting to have those read?—A. Some are in French. Here is one that I got from France. (Hands to Chairman).

The CHAIRMAN: (Reads). Translation.

PARIS, October 24, 1914.

SIR,—I have the honour to inform you that your proposition made by letter of the 26th September, 1914, addressed to the President of the Republic, has been entered under the number 124 F, for the purpose of an examination.

Receive, sir, the assurance of my distinguished sentiments.

The Lieutenant-Colonel, Secretary General.

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The WITNESS: Here is one from the President of the United States. (Hands to Chairman.)

The CHAIRMAN: (Reads).

WASHINGTON, October 12, 1914.

Lt.-Col. JOHN STONEMAN,
Hamilton, Ontario.

SIR,—I have the honour to acknowledge, with thanks, receipt of your letter of October 3, 1914, to the President of the United States, submitting as a free gift to this Government a design for a new form of spade available for use as a shield to stop bullets.

Very respectfully,

W. M. WRIGHT,

Adjutant General.

The WITNESS: There is one from Lord Roberts. That was written just before he went to France. (Hands to Chairman.)

The CHAIRMAN: (Reads).

22nd October, 1914.

DEAR SIR,—I am much obliged for your letter of the 7th instant and for the drawing of your trenching tool and shield which you have been so kind as to send me. I will pass it on to the War Office, but if, as I understand, the Canadian Contingent is equipped with it, its use will be practically tested in the firing line before very long.

Yours very truly,

ROBERTS, F.M.

By Mr. Carvell:

Q. Now, to whom else did you send it?—A. There is one from England. (Hands to Chairman.)

The CHAIRMAN: (Reads.)

WAR OFFICE, LONDON, S.W., 7th October, 1914.

SIR,—With reference to your communication of the 19th September, 1914, on the subject of your suggested shield for military purposes, I am directed to acquaint you that the matter has been considered and it is not desired to take any further action in regard to your proposal.

I am, however, to thank you for bringing your proposal to notice.

I am, sir, your abedient servant,

Director of Artillery.

Lt.-Colonel JNO. STONEMAN,
13th Royal Regiment, Hamilton,
Ontario, Canada.

By Mr. Carvell:

Q. That is the one in reply to your letter to Lord Kitchener?—A. Yes, sir. That is the original letter I wrote with regard to it years ago. (Hands to Chairman a clipping.)

The CHAIRMAN: This is a newspaper clipping, I won't bother reading that.

By Mr. Carvell:

Q. How long ago did you write that?—A. That is a copy, I got that republished.

By the Chairman:

Q. Where is your letter of 1908?—A. I have not got it.

Q All of this data you are putting forward now is recent?—A. Where is that letter of Morrison's? I was given to understand that someone here had the letters I sent.

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Mr. KYTE: We will get it again.

The WITNESS: It should be here now, because it fully corroborates my statement. I have a letter written to Colonel Morrison in 1909, and my reply. Colonel Morrison was editor of a paper here.

By Mr. Kyte:

Q. The *Citizen*?—A. It was through me that Colonel Morrison became a soldier. I got him to join the artillery in Hamilton. He and I used to know each other well, and he and I talked very frequently over these matters.

Q. Over this question of a spade?—A. Yes.

Q. Did you write him when he was an official of the Department about it?—A. No, he was editor of the *Citizen*, but he had that letter, and knew about it, and talked about it.

Q. Was he an officer of the Department in the month of August, 1914?—A. Yes.

Q. But he had received this information from you prior to becoming an official of the Militia Department?—A. In 1909.

The CHAIRMAN: There is another letter from the French Republic. (Translates.)

PARIS, 31st October, 1914.

From Lt.-Colonel Secretary General of the High Commission, for examining inventions concerning the National Defence.

To Mr. JOHN STONEMAN, Lt.-Colonel,

Hamilton, Ontario, Canada.

The High Commission for examining inventions concerning the National Defence has taken cognizance of your proposition relative to a spade and shield.

It advises that it has been transmitted, for special examination, to the Ministry of War.

Consequently any communications that you may have relative to your proposition, should in the future be addressed directly to the Minister of War, Director of Infantry, who will advise you ultimately of his decision upon it.

Receive sir, with the thanks of the Commission for your communication, the assurance of my distinguished sentiments.

By Hon. Mr. Reid:

Q. Did you see the shovel that went over to the other side?—A. No, sir.

Q. You did not see it?—A. No.

By Mr. Carvell:

Q. Of what did your invention consist?—A. It was an idea rather than an invention.

Q. What was your idea?—A. My idea was to have a spade whereby a man could throw up a mound of earth and that would also act as a shield, with a hole in the centre through which the muzzle of the gun would go, enabling him to shoot with greater accuracy and with double protection. I afterwards improved on it; that is not my idea but the work of the designer who drew these plans, Mr. Stewart, who, when I mentioned the idea to him, said, "Why not put that to a double use," so this part goes into the ground (indicating on sketch). My original idea of that was obtained from the ace of spades, the common playing card, which I carried in my pocket for a number of years, and the first idea that we had was that there should be a slot made there (indicating) so that it could be carried by a chain or strap around the neck, and when not in use it could be put in front of the breast, as a breast plate, and kept in place by the bandolier. When so worn a man would be well protected in battle.

Q. Did you propose having a handle on it?—A. No, it was all one piece of metal; I proposed having a powerful die to stamp this out of one piece of silver steel and to bevel that edge so as to make it sharp, so that a man could carry that at his side, or in front, when he was facing the enemy, and if the ground was level he could

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throw up a mound of earth, and stick that spade right in it, and he would then have double protection.

Q. And having conceived this idea and having fitted on all these different improvements, did you ever attempt to obtain any monetary reward or remuneration for it?—

A. No, I did not, and for two reasons. I think it was very unpatriotic to have any implement of that kind patented if it would benefit my fellow countrymen. In the second place I did not see how any patent would lie because any one could make them and I do not know that you could stop them.

Q. You could not patent the hole?—A. No, it would be foolish to desire to patent a thing like that because it has to be used by the whole nation, it is no good to the individual.

Q. And for those reasons you never tried to patent it?—A. I never thought of such a thing.

Q. In this connection did you give your idea voluntarily to different officers?—A. Yes, I have communicated it to Colonel Geo. Denison of Toronto, Colonel Peters of Winnipeg, and quite a few other officers.

Q. About what time did you send a communication to Major-General Hughes?—A. It happened this way: I was standing in front of the *Spectator* office when my old Sergeant-Major Huggins, who is now located in Ottawa, he drills the Collegiate Institute here, but has now gone to the front, and I believe he has been promoted to be captain, he came up to me and grasped my hand and shook it and said, "I must congratulate you, Colonel." I said, "What about?" and he said, "Colonel Hughes is testing out that spade that you used to preach to me about so much long ago, it is a success." And he gave me a detailed account of how it was getting along. I thought the matter over, got the blue prints made, and spread it abroad.

Q. And did you write to Colonel Hughes at that time?—A. Yes, and enclosed one of the blue prints, I wrote him offering my services and told him that I would be pleased to give him any assistance I could.

Q. Did you get any reply to that?—A. No.

By Hon. Mr. Reid:

Q. You did not see the shovel that went to the front?—A. I have never seen it, I have only seen a picture of it, which I have here, clipped out of the paper, which shows General Hughes, and a man shooting through it at Valcartier. That is all I have, but of course I recognized it at once.

Q. This is not the same as yours?—A. It is the same idea, but not the same. This is a rough thing just made on the spur of the moment, but I sent in a more scientific one. He is getting the spade made in the States, which is a surprising thing to me because there were dozens of places in the country where he could get it done.

By Mr. Hughes (Kings, P.E.I.):

Q. Have you heard that a shovel similar to yours was patented?—A. It is reported that a certain lady has got a patent.

Q. Do you know the name of the lady?—A. McAdam.

Q. Miss McAdam?—A. Yes.

Q. Do you know where she is employed?—A. She is a stenographer and typewriter, I believe.

Q. Does she do anything else?—A. I do not know.

Q. How did she become possessed of your idea?—A. Oh, I suppose I gave the information to Colonel Morrison and I have no doubt that he and Colonel Hughes talked it over confidentially. I told Colonel Morrison of it years ago. However, I will not rob the young woman of her patent, she may have thought of it herself, possibly she did.

Q. Do you think she had the idea as soon as you had?—A. Oh, no, ten years later.

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By Mr. Bennett (Simcoe):

Q. You do not know her age, do you?—A. I imagine she was going to school in short clothes at the time I worked out the idea.

By Mr. Hughes (Kings, P.E.I.):

Q. What part of this shovel would you be entitled to patent, would it be the hole?
—A. I suppose not.

By the Chairman:

Q. Do you know where Major Larmour is now?—A. No, I have lost track of Larmour, he was in command of the old Grand Trunk Brigade in the 60's.

Q. Are you aware that he has a design or pattern or both of a shield of this kind for the protection of the body which dates long prior to yours?—A. That is possible.

Q. And that the idea is no novelty at all?—A. I do not say that it is a novelty.

Q. Did you ever see Major Larmour's picture?—A. No.

Q. You will find them in the Militia Department?—A. I know this was used away back in the crusades, and that is the reason I do not claim much credit for it; it is simply resuscitating an old idea, but warfare is so changed even since the South African war. For twenty-five years I have been preaching machine guns, and our soldiers that went from this country are not used right in that respect, there should be a fighting unit of machine guns to each principal unit to-day, with such work as they do now with the armour protected trucks, motor driven, 500 men would be worth 5,000 without them.

Q. Do you suggest motor driven vehicles?—A. I do.

Witness discharged.

DOLLAR PARENT, called, sworn and examined.

By Mr. Bennett (Simcoe):

Q. Were you at Valcartier last summer?—A. Yes.

Q. You were there acting as chauffer?—A. Yes.

Q. Were you there every day?—A. Yes.

Q. Did you see any dead horses there?—A. Yes.

Q. How many dead horses did you see in the summer?—A. Five or six.

Q. Were you there every day whilst the camp was there?—A. Yes.

By Mr. Carvell:

Q. In what portion of the camp grounds do you say you saw five or six dead horses?—A. I went there with loads, and when I would go down there I would see some dead horses. I would go there every day, and sometimes I would go two or three times a day.

Witness discharged.

Committee adjourned.

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HOUSE OF COMMONS, Room 211,

WEDNESDAY, March, 31, 1915.

The Select Standing Committee on Public Accounts met at 11 a.m., Mr. Murphy presiding in the absence of Mr. Middlebro, Chairman.

The Committee proceeded to the further consideration of "Sessional paper numbered 122 of the present session of Parliament and all other papers in relation thereto, being copies of correspondence between the Auditor General and the Department of Militia and other departments of the Government, laid upon the table of the House in respect to expenditures under the War Appropriation Act" referred to them by the House.

Mr. RHODES: Mr. Chairman, before we proceed to examine witnesses, I would like to draw the attention of the Committee to the report of yesterday's proceedings which appears in the *Citizen* this morning. The sub-heading of this article, which is to be found on page 3 of the *Citizen*, says: "397 Horses Missing", and states:

The auditor general whose examination was begun at the morning session continued it in the first part of the afternoon, and the most interesting feature of his testimony was that 397 horses belonging to the Militia Department, according to the purchase records, are not accounted for, where they are is not disclosed. The auditor hears that some of them are dead.

The statement is only half truth, and therefore the most dangerous form of truth.

Mr. CARVELL: Why doesn't the Militia Department come out and say where they are?

Mr. RHODES: That is the most dangerous part of the statement, inasmuch as it leads the public to believe that 397 horses of the Department were unaccounted for, whereas the circumstance is that the Auditor General is not competent to say where these horses are, and he said in his testimony that so far as he knew, they are still in the Department. The statement was made to him that some of them had been shot. I have no doubt that some of them have been shot, but it is not competent to make the statement that that number, or any number, of horses is missing until competent officers of the Department give evidence as to their whereabouts. And it is not fair for the press to make a statement which would cause the public to believe that there had been some malfeasance and that this number of horses were unaccounted for. I think that is a perfectly fair position to take. I would like to have the fullest investigation of the circumstances, but until these officials are examined it is not fair that the assertion should go abroad that these horses are unaccounted for.

Mr. CARVELL: As far as I am concerned the statement in the *Citizen* is absolutely correct. I do not even know who is the reporter of the *Citizen*, but I do not think my friend (Mr. Rhodes) need find any fault with the *Citizen*, because he comes up here and tells us every morning that he wants the fullest investigation, and the *Citizen* reports that the next morning. The Auditor General stated yesterday that these horses were missing, and he knows nothing about them. If my friend thinks the Militia Department can account for them why do they not come here and do so? We are willing to drop everything else to allow him to bring the officers of the Militia Department here to tell us what became of the missing horses and if the animals are still in existence let the Department show it.

Mr. RHODES: I do not want it to go abroad that I am finding fault with the *Citizen*. I merely wish to point out that my honourable friend can find no fault with the statement which I made; the witness stated that he knows nothing about the horses, but it does not follow that the Militia Department are unable to account for them or that the horses are missing.

APPENDIX No. 3

HENRI GÉROUX called, sworn and examined.

By Mr. Carvell:

Q. What is your position or calling?—A. I am a Dominion Police Officer.

Q. Who is your superior?—A. Colonel Sherwood.

Q. After the first expeditionary force left Valcartier last autumn were you sent down to Valcartier and Quebec as a detective officer?—A. Not until after New Year's.

Q. Tell in your own language what you saw there?—A. My instructions were to look for horses and other things that had disappeared from the camp of Valcartier.

Q. And what did you do?—A. I looked for them.

Q. Did you find any?—A. I did.

Q. Did you obtain search warrants?—A. I did.

Q. Have you got a statement with you of what you found?—A. No.

Q. Did you make a report?—A. I have memos.

Q. Produce your memoranda and tell us what you did and what you found. I might possibly refresh your memory, and I also have copies of other official documents, certified copies?—A. On January 8 I found with Joseph Bigaouitte one bay mare and two horse blankets.

Q. You found with him one bay mare?—A. Yes.

Q. Now did you know that the mare belonged to the Government?—A. Well, I was informed by people that she was there and I called on Bigaouitte who admitted it. He said it was a mare that had been given to him by Lieut. Jerome at the Exhibition where the auction sale had taken place.

Did he say why it had been given to him?—A. He said it was given to him because the mare was sick.

Q. Describe the animal, if you please?—A. It was a bay mare, 8 or 9 years of age—I could not say the age for sure—

Q. And how heavy?—A. I think it was about 1,100 or 1,200 pounds.

Q. What condition was she in?—A. She was not in a bad condition—she was getting on better.

Q. What did you do with it?—A. I took her over to the Militia Department.

Q. Where?—A. At Quebec.

Q. Do you know what became of the mare afterwards?—A. No.

Q. What next?—A. On 14th January at Grand Ireland's at Riviere aux Pius 7 or 8 miles back of Valcartier I found a dark bay mare 8 years old, no Government marks on her, but he admitted it.

Q. What did he admit?—A. He admitted it was a Government mare.

Q. What did you do with her?—A. I took her.

Q. And delivered her over to the Militia Department at Quebec?—A. Yes.

Q. What did he say about that?—A. He said that it had been sent over to him to keep till called for.

Q. Did he say who gave it to him?—A. Yes.

Q. Who?—A. Colonel McBain.

Q. What kind of animal was she?—A. A bay mare I should say about 8 or 9 years old, in pretty good working condition.

Q. What would you say was her value?—A. I do not know.

Q. You detectives usually have pretty good ideas of the values of things?—A. I have never bought or sold a horse and I do not know the price of her.

Q. He said she had been given to him by Colonel McBain?—A. He said so, I do not know; that is what he said.

Q. Who is Colonel McBain?—A. Don't know, never saw him.

Q. Well now, proceed?—A. On the same date, January 14, found that Walter Brown, Valcartier settlement, had two mares; he admitted they were Government property, but he stated they had been given to him by Colonel Murphy to replace two that were drowned while at work at Valcartier. I took the mares. I was ordered to return them a few days afterwards which I did.

Mr. HENRI GÉROUX.

By the Chairman:

Q. You mean two of this man's horses had been drowned?—A. While he was working at Valcartier during camp with his own two horses. I understand that he had been ordered to cross the river, and while on this Government scow it broke and the horses got drowned. He was handed over two other horses on the same date.

By Mr. Carvell:

Q. Who gave the instructions to return them?—A. I do not know who gave the instructions. I always get my instructions from the chief direct.

Q. You say he told you that he got the horses. You took these horses, and you handed them over to the departmental officials?—A. No, sir, I did not. I did not hand them over then. I was keeping them in the stable while I was making the investigation. I handed the whole lot over when I was through. I was holding that with others, such as the one I mentioned before. I kept them until I was ready to hand them over, and before I was ready to hand them over, I got instructions from my superior officer to hand them back.

Q. That would be Colonel Sherwood?—A. That would be Colonel Sherwood.

Q. Take the next?—A. The next is Captain Arthur McBain, who, I was informed, was caretaker of the ground. I found two there. He stated they were Government property. One had been left there by Major General Hughes. The other one he said had been left on the grounds, he had loaned it to one of his uncles.

Q. And the other one he had loaned to his uncle?—A. He had loaned to his uncle.

Q. What was the uncle's name?—A. The uncle's name?

Mr. CARVELL: He says that Captain McBain informed that he found this horse upon the ground after the troops left, and he loaned this horse to his uncle.

Mr. BENNETT (Simcoe): Captain McBain?

The WITNESS: John McBain.

By Mr. Carvell:

Q. Did you find the horse in his possession?—A. Captain McBain.

Q. Where?—A. Valcartier.

Q. Was it in his private possession?—A. In the stable there which he brought me to.

Q. Was it on the camp grounds?—A. Government grounds.

Q. Any more?—A. On January 18—

By Mr. Rhodes:

Q. What date was this last entry?—A. On the 18th January. On the same date at James Bowles, one black horse, stated that when camping the soldiers had left it there in a sick condition. He took it in and nursed it back. He thought he should be recompensed for what he had done.

By Mr. Carvell:

Q. How heavy?—A. About 1,200 pounds, I should say.

Q. In what condition was it at that time?—A. Not too good, middling.

Q. Just middling.

By Mr. McRae:

Q. Did you think he should be recompensed in addition to the use of the horse?—A. I am just saying what he stated.

By Mr. Carvell:

Q. I suppose he wanted a recompense after you took the horse away from him?

Mr. RHODES: Ask him if he took the horse.

The WITNESS: I took the horse.

Mr. HENRI GÉROUX.

APPENDIX No. 3

By Mr. Carvell:

Q. Was it not when you took the horse he wanted the recompense?—A. He did not ask for any; he stated he should be recompensed.

By Mr. Bennett (Simcoe):

Q. Was that for keeping it?—A. Yes, for keeping it.

By Mr. Carvell:

Q. Go on.—A. On the same date, the 18th, at Graham McBain's—

Q. What relation is he to Captain Arthur?—A. Don't know.

Q. Any relation to Colonel McBain?—A. Don't know.

Q. This is four of the McBains we have found in it?—A. One brown horse, five years old.

Q. How heavy?—A. I should say about 1,200, 1,100 or 1,200 pounds.

Q. Did you take the horse?—A. Yes.

Q. What did he say about it?—A. He said it had been given him by Colonel McBain when his own was kicked. He was to return it when called upon.

By Mr. Bennett (Simcoe):

Q. What was the last you said?

Mr. CARVELL: He was to return it when called upon.

By Mr. Carvell:

Q. Did he give you the details of his own horse being kicked?—A. He showed me a horse with the appearance of a kick on the hip, which was healed up then.

Q. Did he tell you the circumstances of how the horse happened to be kicked?—A. No, didn't ask him.

Q. Just that his own horse had been kicked. The Colonel loaned him this one until his own recovered. Did you take that horse away?—A. Yes.

Q. Did the McBain family have anymore?—A. I do not know. On January 30, I found at Augustin Paquet at Lapier Mills, one chestnut mare. They stated, the Paquet and Lapier who are living in the same family, that this mare came to them after the camp broke up. They admitted it was a Government horse; they thought it was; and they were very sorry to see it go, but offered me one of the best horses they had for it, a beautiful little mare. I took it.

Q. You took it?—A. Yes.

Q. Anything else?—A. We found on January 21, at Godias Girard, St. Gérard-de-Magella, one black little mare, marked No. 202, very balky and vicious. I left her there and informed the authorities where it was.

Q. Informed the authorities where it was?—A. Yes.

Q. And how heavy was she?—A. About 900 or 1,000 pounds.

By Mr. Rhodes:

Q. You said there was some mark on that horse?—A. Yes, marked 202.

By Mr. Carvell:

Q. Where was the mark?—A. On the foot.

Q. Did you find marks on any other of the horses?—A. No, except one, which I have not come to yet.

By Mr. Rhodes:

Q. You have not said as to whether that was a Government horse or not, this last horse?—A. They stated that while Valcartier horses are being removed from Valcar-

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tier to the Exhibition grounds at Quebec, this horse being so cross and baulky, the soldiers shoved it through their gate, and that is why they found it in the morning.

By Mr. Carvell:

Q. Did you take the horse out and try it?—A. No, couldn't go near it.

Q. Did you try?—A. Couldn't go near it, it was so cross and kicked so much. I said I was no broncho breaker and left it there.

Q. Go on.—A. January 28, David Berryman, Upper Laval, found one bay horse marked 148, left hind foot. Berryman stated that he had bought this horse from Bigaouitte, for the sum of \$90.

By Mr. Kyte:

Q. Who was Bigaouitte?—A. The man I mentioned first, where I found the—

Q. Bigaouitte lived in the city of Quebec?—A. Near there. Joe Bigaouitte. I had to prosecute to get the mare back.

By Mr. Rhodes:

Q. You took that mare back?—A. Took it back and handed it over to the Militia authorities.

By Mr. Carvell:

Q. What would be the size of this horse and general description?—A. It would be 15 or 16 hands.

Q. It would weigh ten or eleven hundred pounds?—A. About eleven hundred pounds I should say.

Q. Fairly good condition?—A. Yes, it was working, fairly good condition.

Q. Did you have any difficulty getting that horse?—A. No, drove him to Quebec.

Q. Did you have any difficulty in getting possession of the horse?—A. No, it was marked.

Q. Stated he had bought it?—A. Stated he had bought it from Bigaouitte for \$90.

Q. But he gave it up willingly?—A. Yes.

Q. Did you go to Bigaouitte about it?—A. No.

Q. Did you not try to satisfy yourself as to whether he was telling the truth or not?—A. No. He stated when I was talking to him, he was going to town and would look for Bigaouitte himself. I do not know what the consequence was.

By Mr. Carvell:

Q. Now, did you get a horse, it might be one of the two Bigaouitte horses, from Domaine Lorett in the City of Quebec?—A. That is the one I named first.

Q. How many horses did you get back altogether?—A. The one I left, the unmanageable one, and the two I returned and the others made 12.

Q. Then you returned two under instructions from your superior officer?—A. That would leave ten. It would leave nine—I made a mistake, I should have said eleven; I returned eight, I left one behind and two returned.

Q. You found eleven horses, then?—A. Yes.

By Mr. Rhodes:

Q. There were eleven only of which you returned two and one was left behind on the premises of Girard?—A. Yes.

By Mr. Carvell:

Q. Did you search for anything else?—any other Militia Department stores at the same time?—A. Yes.

Q. What did you do; tell us generally what you found? I don't want to cumber the record with all you did excepting those searches which produced results?—A. Yes.

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Q. I do not want to bring out the names of the men whose premises you searched and found nothing; that would be unfair?—A. On January 20th I found on Wm. Lyons, Valcartier, one great coat, one camp kettle and one bridle.

Q. Did you take them from him?—A. I did.

Q. What did you do with these goods?—A. I handed them over to the Ordnance Officer of the Militia Department, Quebec, Thomas Thompson—3 reversible Poth-mouth bits.

Q. Did you find anything on Sergt. Kendall?—A. That is not in Quebec.

Q. I do not want any of these little things, I imagine there would be stray things around the camp grounds, I do not want to bother about that at all?—A. That was in Montreal.

Q. Then, tell us what you did there?—A. I found harness there and other things I have not epitomised here.

Q. You haven't it here?—A. No.

Q. Can you tell the value of the goods you found there?—A. Yes.

Q. How much was it?—A. Of the amount of \$495.

By Mr. Rhodes:

Q. That is miscellaneous articles?—A. That is harness and horse blankets.

By Mr. Carvell:

Q. It would be practically all horse equipment?—A. Yes.

Q. Do you know who this Kendall was?—A. I do not know.

Q. Do you know whether he had accepted a position at Valcartier Camp or not?—A. No.

Q. Did you make any enquiries?—A. Yes, I did at the time, I asked him where he got these and he said that somebody else had given him the stuff, but I haven't anything here to show who it was.

Q. Did you find anything with a Sergt. Morris?—A. That is W. Moore—yes.

Q. Did you recover some articles from him, and what was their value?—A. I cannot very well say the value—I have a list of articles here: Ten blankets, 3 rubber sheets, 2 military great coats, one serge, one blue, two saddles, one kit bag, four field officers tents, one circular tent and one bag containing wooden mallets and rope.

Q. Will you look at this and see if you ever signed a report like that? (Handing document to witness).—A. I believe it is about the same thing as I have.

Q. What is the total value, how much?—A. \$389.16.

Q. Now, you did make a report of which this is a copy?—A. Yes, I may not have it all here though.

Q. You would accept that as being correct?—A. Yes.

Q. The amount is how much?—A. \$389.16.

Q. I believe the Committee would like to know where these men live?—A. Moore lives at 108 Suzanne street, Montreal.

Q. What about Kendall?—A. I haven't his address.

Q. Do you know whether or not any man with whom you found horses or military supplies you have enumerated was prosecuted by the authorities?—A. Yes.

Q. Who were?—A. Bigaouitte.

Q. What was done in his case?—A. He was dismissed because they did not proceed in the proper way; they made a mistake in taking action in the court, under the Military Act, which is not proper and the judge decided to let us keep the horses, but the man was not punished.

Q. Who was the lawyer for the Crown?—A. In Quebec?

Q. Yes, or wherever it was?—A. I do not know, I have forgotten his name now.

By Mr. Kyte:

Q. Do you remember what firm you called on?—A. That is the one I am trying to think of.

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By Mr. Lapointe:

Q. Was it Dobell?—A. No, it was an English speaking man—yes that was it, Dobell.

By Mr. Carvell:

Q. Before what judge was the case tried?—A. Judge Langelier.

Q. Were there any other cases prosecuted?—A. Yes; Sergeant Major E. Hineson and Sergeant Major A. Hineson.

Q. Now give us the details of those cases?—A. The cases are not over yet.

Q. What is the nature of the cases?—A. I found stuff in their houses.

Q. What did you find?—A. I found 32 pairs of woollen socks, 23 woollen toques, 10 pairs of woollen wristlets, two overall coats, two overall pants, one overall shirt, eight military pants, four woollen blankets, one rubber sheet, one camp bed, one linen bag containing eleven gray shirts and seven woollen mufflers.

Q. What value would you put upon that, some hundreds of dollars?—A. No, I should think about forty or fifty dollars.

Q. When did you find them?—A. November 23rd.

By the Chairman:

Q. What was the charge against these men?—A. Stealing.

By Mr. Carvell:

Q. When was the charge laid?—A. The charge was laid the next day and it came up enquete a week after. They decided to go before a jury, and they changed the petition to go before a jury and went back to a session, and the case is not finished yet.

Q. That was something that happened around Valcartier at some time in November, was it?—A. Oh, no, nothing that happened in Valcartier, that was in Montreal.

Q. Did these people live at Valcartier?—A. They were working there, Sergeant Major there, I do not know whether they are still at Valcartier or not, sir, this stuff I found in their houses.

Q. In November?—A. In November.

Q. Where do these men live?—A. E. Hineson, 27 Gordon street, Verdun, and A. Hineson at 163 Congregational street, Montreal.

Q. What corps do they belong to?—A. No. 4 Army Service Corps.

By Mr. Kyte:

Q. Are they still in the service?—A. I do not think so, I think they were discharged.

By Mr. Carvell:

Q. If you have anything else give it to us; we do not want any small things.—A. I have nothing else.

Q. Now, Mr. Giroux, have you a record of any other large items that you have found, that were taken from the Government improperly?—A. No, sir.

Q. You have given us a record of at least eight horses which you took and handed over to the Department?—A. Yes.

Q. One horse which you left in the possession of the person with whom you found it, and two other horses which you left with a man who claims he got them to replace his horses which were drowned?—A. Yes.

Q. You gave us the names of the men in Montreal with whom you found pretty large quantities of military stores, did you make a report of these transactions to your superior officer?—A. Daily.

Q. So far as you know, have any steps been taken by the authorities to investigate these matters?—A. In fact in many cases where blankets and such things as those

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were found the parties who are supposed to have stolen them are gone to the front, and we could not go any farther.

Q. As far as you know beyond the prosecutions of which you have told us, were any other steps taken with regard to the horses against those people in whose possession you found them?—A. I have four warrants in some cases in Montreal, which have not yet been disposed of. With regard to the horses I found the cases were very different because these people admitted that they were Government horses, and they claimed that they were Government horses, and they claimed that they did not steal them. I was under the impression that supposing you came to me and said, "You have a horse in your possession which belongs to the Government," and I at once replied and told you that you could take it, that it would be difficult to prove any case against me.

Q. I am asking if you know what the Department has done?—A. No, I do not know what the Department has done, I did not do anything.

Q. You made a report to your superior officer?—A. Yes.

Q. In this work you acted under authority?—A. Yes.

Q. And did you in all cases have this property returned to the Government?—A. Yes, in all cases where I found anything it was returned to the Department, both in Montreal and Quebec.

Witness discharged.

Mr. JOHN FRASER, Auditor General, recalled.

By Mr. Carvell:

Q. Have you any cheques in your possession regarding the purchase of jams and preserves and things of that kind?—A. Yes.

Q. Have you them here?—A. No.

Q. They are not here?—A. No, they were not asked for.

Q. There is correspondence brought down regarding them?—A. Yes.

Q. Then there has been some misunderstanding; I was informed you had been asked to bring them here.—A. I have no recollection of it.

Q. Well, I will tell you now all we would like to have; we want all the correspondence in regard to the purchase of jams, between you and any officials of the Government, and any invoices or bills or any information in your possession.

The CHAIRMAN: Are the jams included in the order of reference?

Mr. CARVELL: Yes, the supplementary correspondence refers to them particularly. Now if there is any correspondence in regard to these items that is not included in the bluebook, or any supplementary correspondence which you brought down, please produce it, if there should be any?—A. I think it is all there.

Q. It is in the correspondence up to date?—A. Yes.

Q. And while we are about it, we might ask you to bring whatever correspondence, cheques or invoices you might have in your Department regarding the purchase of drugs from Madame Plamondon of Quebec?—A. I will look it up.

Q. Did you bring the information regarding the submarine drafts? What did you do in connection with the purchase of these submarines?—A. I had some correspondence with the Marine Department. The first was, I think, in connection with the error of \$100,000 in the Order-in-Council that came down from the House. That was remedied afterwards; it was pointed out afterwards that it was a mistake in the transcription of the code telegram.

Q. We have all that explanation in the House, now, so I do not care about it?—A. Then I asked them for a report that was mentioned in the Order-in-Council, a report of the marine experts. I never got any. I asked them for the bill of sale or some document that would show that the ownership of the submarine was vested in the

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Crown. I could not get anything from them. I had a bald application to pay \$1,150,000 without any evidence that was satisfactory to me that the money had been expended or that the submarines had been secured. I had been asked a number of times when I was going to pay the bill. The Deputy Minister of Finance was pressing to have the matter adjusted, as the Government had advanced the sum to the bankers, and he wanted to get his accounts in the bankers' adjusted. I always told him that whenever I get satisfactory vouchers I would attend to it. I had tried in every way I could to get something that would take the place of a voucher. I could not get anything. I was shown a copy of the cheque that was issued by Sir Richard McBride for \$1,150,000 for the purchase of the submarines, as evidence of the expenditure of the money. To my mind it was no evidence that would be satisfactory or sufficient for me. The cheque was drawn by Sir Richard McBride in favour of himself and endorsed payable to Lieut. Pilcher, who I believe was in charge of the depot at Esquimalt, and that cheque showed us that \$1,150,000 had been paid to Lieut. Pilcher. I did not follow the case any further. In some way or other, I do not recollect now whether I came to the conclusion myself or whether it was an inference that I drew, or not, on the 24th September I wrote to the Manager of the Canadian Bank of Commerce, Victoria, stating that I had an application for the payment of \$1,150,000 to the Canadian Bank of Commerce in connection with the purchase of submarines:—

As I have not sufficient information before me to enable me to authorize the payment, I have to request that you will let me know to whom the advance was made, and in whose favour, and to what amount the several drafts were drawn, and where they were payable.

On the 1st of October I had a reply from the Canadian Bank of Commerce, Victoria, as follows:—

DEAR SIR,—Referring to your letter of the 24th September regarding payment of \$1,150,000, I have taken the matter up with the Government here and will write you later.

Yours truly,

(Sgd.) F. L. CRAWFORD,

Manager.

It was a very unsatisfactory reply, to me, because I thought I had a right to the information I was asking for, and I could not understand why Mr. Crawford could not answer it without conferring with the local authorities. I waited until some time in October, and as they were still pressing for the payments of the account—it was a large sum to have unadjusted—I made up my mind that I would go out to British Columbia myself and see if I could get any information that would either enable me to pay the bill or to refuse it. I got the information that I wanted from the Bank of Commerce in another letter just before the time I was leaving:—

Referring to your letter of the 24th September, we issued three drafts on the 6th of August, 1914 in favor of J. B. Patterson as follows:—

No. 84894 on the Canadian Bank of Commerce, Seattle, \$249,961.

No. 15862 on the Canadian Bank of Commerce, New York, \$500,000.

No. 15883 on the Canadian Bank of Commerce, New York, \$399,437.50.

These were paid for by cheque of the Provincial Government of British Columbia for \$1,150,000.

Yours truly,

(Sgd.) F. L. CRAWFORD,

Manager.

MR. JOHN FRASER.

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I called on Mr. Crawford when I was in Victoria, and asked him to let me see the drafts if they were cashed and returned. He had the draft that was payable at Seattle.

Q. Did you have the original drafts there?—A. The original draft for \$249,961.

Q. Which was the first one?—A. \$249,961—\$250,000 less the cost of the draft.

Q. What endorsements were on that?—A. It was payable to J. B. Patterson and endorsed J. B. Patterson and the stamp of the Canadian Bank of Commerce, Seattle. The other drafts, the two that were drawn on New York, he did not have. He said the practice in their branch in New York was to retain the drafts there. I obtained those, after my return to Ottawa, for examination. The endorsement on those drafts is, "Pay to Electric Boat Company (Signed J. B. Patterson). Pay to order of Electric Boat Company—Foreign; I do not know whether that is a name or not."

Q. Was that the same on both?—A. On the both of those drafts, Electric Boat Company, A. R. Grant, Vice-President; and the next endorsement, Pay to the order of Hanover National Bank, Electric Boat Company—Foreign. It is bad writing, but that is as near as I can make it out. Received payment through New York Clearing House, August 11, 1914, Hanover National Bank. The endorsement on both of those drafts was the same. I might say on my own behalf that before making the payment I received in British Columbia a receipt from Patterson for the \$1,150,000.

By Mr. Rhodes:

Q. Who is Patterson?—A. He was the manager of some dockyard in Seattle, where those vessels were assembled.

By the Chairman:

Q. You say you received the receipt before you made the payment?—A. Yes; I refused point blank to make the payment until I had some assurance that Patterson had got the money. This is the receipt.

W. O. THOMAS, recalled.

By the Chairman:

Q. Where did we leave off with you when you were last in the box?—A. I was asked to produce the statement of the saving that could be made. I was also asked to produce the correspondence, the report that I made to General Hughes that the bodies were not satisfactory. I was also asked to produce the statement showing the saving in repair parts. I was also asked to produce the letter on bicycles. I have them all here.

By Mr. German:

Q. To what was your evidence directed when you were here the other day?—A. My evidence is on page 186 of No. 7.

Q. What is that document you have there?—A. This is a report to the Minister that I made on March 29 for the purpose of getting together the information that you need, and attached to it is all the other correspondence that it refers to.

By Mr. Carvell:

Q. What is the difference between "replacement unit" and a "replacement part?" Would the unit be the whole chassis?—A. No the unit is an engine, a transmission, an axle, a steering gear, in complete assembling that is ready to put in a chassis. The ordinary method of repairing a war truck is not to replace any part of the engine, but to tear the engine out and put one in its place.

W. O. THOMAS.

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Q. A unit is the engine, and a piston is a part?—A. That is it exactly, and a separate order is issued for the two. I have confined myself to those four items because these are things you have established the price of, because I do not want to take the things on which you have not got the information.

Q. You do not want to give us the information?—A. Gladly, but I do not want to claim any saving on any part on which you have not got the information before you.

Q. I think if anything can be saved we ought to have it?—A. I will give that to you separately.

The witness read the following documents:—

16th January, 1915.

To Surgeon-General Eugene Fiset, D.S.O., C.M.G.,
Deputy Minister, Department of Militia and Defence,
Ottawa.

Sir,—Supplementing my letter to you of today's date, I came to Ottawa on November 16 in response to a telegram sent me by General Hughes to report to him on November 16.

I had previously during August, September, October and November examined at my own expense eighty-four plants in the States manufacturing Motor Trucks, Motor Cars or parts to ascertain first hand exactly the condition of these plants, the quantities of materials on hand and the output each one could contribute to the demands created by the War. My brother in England had made a similar investigation so that when I arrived in Ottawa I was in possession of all data and prices of available transport equipment in both England and America.

I had further, through my own men in England and France, carefully investigated the mechanical troubles with the equipment already at the front and reported to the Transport Committee and the Department even the troubles which the Canadian Contingent were having at Salisbury. A cable was sent to Colonel Carson, and his reply together with subsequent information from other officers has corroborated every claim that I have made. I claim that my previous experience and the work which I did prior to November 16 has been very necessary to the success of the work, and that it was the knowledge which I brought here that made a saving possible.

Since November 16, I have as a Member of the Transport Committee constantly advised them and assisted in dealing with the representatives of the various Trucks Manufacturers.

Since November 16, I have left Ottawa but once for three days to ascertain what parts were available for the assembling of Trucks in Canada the details of which work were I think plain to Premier Borden as well as the Minister of Militia.

The trucks just being purchased are at a price of \$2,500 while the same size Trucks with the First Contingent average \$3,393 each, making a saving of \$843 per Truck. The saving in all other equipment will be at least in the same ratio.

Apart from the saving the standard of the equipment has been very much raised and the maintenance will be very much decreased.

The tires are now all being supplied at the same price quoted in the States and much work has been done towards the making of a large per cent of the Truck parts possible in Canada.

I have the honour to be, sir,
Your obedient servant,

W. O. T.

W. O. THOMAS.

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29th January, 1915.

To Surgeon-General Eug. Fiset, D.S.O., C.M.G.,
Deputy Minister,
Dept. of Militia and Defence.

SIR,—The Report of the Committee of the Privy Council dated December 15th, 1914, provided for the purchase of Motor Driven Transport Equipment tabulated below.

For 1½ per cent of the cost of this apparatus I have undertaken to do all engineering and inspection both of the parts and of the finished apparatus including superintendence of the assembling of the body, and special equipment on the chassis when all the parts are delivered here.

150 Trucks Chassis at \$2,550.	\$382,500
300 Spare Tires at \$247 per set of 6.	12,350
150 Sets Spare parts at \$240.	36,000
141 Transport Bodies at \$168.	23,688
6 Tool Bodies at \$300.	1,800
12 Workshop Bodies at \$3,500.	42,000
25 Motor Cycles at \$313.50.	7,837
30 Motor Ambulances at \$3,200.	96,000
11 Motor Cars at \$2,000.	22,000
	<hr/>
	\$624,175

One and one-half per cent of \$624,175 is \$9,362.62. Please provide for this in an Order-in-Council.

I have the honour to be, sir,
Your obedient servant,

W. O. T.

By Mr. Carvell:

Q. My recollection is that the trucks provided for the First Contingent by Mr. Russell was the complete article?—A. No, sir.

Q. Did it include the bodies?—A. No, sir. I can give you a separate price for bodies and all kinds of equipment. That is the contract price for the Chassis. It is plainly stated in the record.

Q. There is no question of it, is there?—A. There is no question whatever. Mr. Russell gave you a separate price that he sold the bodies at and a separate price that he sold a lot of other things at.

MR. CARVELL: I must say the impression left on my mind was that those goods were delivered complete.

MR. GERMAN: It was left on my mind too.

THE WITNESS: They were delivered complete, but not at that price.

By Mr. Kyte:

Q. Do you say that Mr. Russell got more for those trucks than he stated in his evidence the other day?—A. No, if he takes the complete trucks.

Q. But for complete trucks the charge would be more than Mr. Russell stated the other day?—A. For the complete truck with body, yes. Mr. Russell gave an additional price for bodies, and where he took off \$200 or \$300 for a body you will find that the price you are now talking about is different from his list that you had—that he deducted the price.

Q. I thought you stated when you gave evidence before, that the cost of the Kelly Truck was \$2,550?—A. The Kelly Truck Chassis apart from the Kelly body is \$2,550, less \$247 for tires and something like \$12 or \$14 for tools and other things that we buy in Canada.

W. O. THOMAS.

By Mr. Carvell:

Q. But when bought, they will bring the cost up to the \$2,550?—A. Absolutely. We simply found that we could buy at the same price in Canada, and we did so under a contract with the Kelly Company to deduct part of that at any time, and we still have.

By Mr. German:

Q. You said that the trucks furnished by Russell were just the chassis?—A. Yes, on the prices I give you here, and that you discussed with Russell, those were the prices on the chassis. He also supplied the bodies, but not at that price.

Q. But, for instance, here is one Jeffrey truck at \$3,313?—A. Some Jeffrey trucks, the prices there include the bodies; but when he made the statement to you you deducted the price of the bodies, and you find on that statement, about half way down, the price of the body.

By Mr. Kyte:

Q. Taking the complete truck, how much cheaper do you claim you are getting that for the Government than Mr. Russell gave?—A. I have made no claim at all on the truck as a whole, because our equipment is entirely different from Mr. Russell's; it cannot be compared; we are taking time—

Q. You are making no saving as to money?—A. On the trucks, yes; we are making the saving, though all on the chassis—

Q. How much?—A. It is all given in this. When you get to the end of this report it amounts to \$200,000.

Q. I mean upon each individual truck?—A. I have got it all tabulated here on this statement. The saving on the chassis was \$765;; the saving on the replacement units, each, \$1,807.24 per set. On replacement parts the same.

Q. What do you mean now by saving? You mean it has cost the Government that much less?—A. Less at the time Major Russell—

Q. Than the purchases made by Mr. Russell the purchases Mr. Russell made cost the Government?—A. Yes, and at the prices that the Government had for the Kelly repair parts that even Mr. Russell did not buy, but which the Department bought at the right price.

Q. You spoke of the saving on the chassis and on the replacement units?—A. Yes, you will find that the cost of a complete set of parts was \$3,771.64 or \$1,807.24 in excess of the present contract price. I am speaking of units and parts, that is, the complete parts of one truck; complete units or complete parts exactly the same price.

Q. The units would include parts?—A. Yes, absolutely, it is for one complete truck laid out in units here, or spread out in parts.

By Mr. Boys:

Q. I understood you to say that apart from this contract you bought, separately, units at a certain price; under the contract you made, the price of the units was so reduced that you could take any one or all of them and if you took all, the price would come to the machine complete?—A. Yes, to one cent. It is covered in the list giving the cost of every bolt and every part. It is now about 46 per cent off list.

By Mr. Carvell:

Q. What do you say is the saving?—A. It is shown on this memorandum *re* cost of First Contingent Trucks. I have had a man at the factory for over a month going through with the man who audits their accounts yearly, and this is the result, and these are actually the cost plus 20 per cent taken from their parts, and we require from them the evidence that certain items that they did not make themselves but that they bought were so, and they bring the accounts to a cent.

W. O. THOMAS.

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Q. Are they carburetters?—A. Yes, and the Timpkin Company assembles their axles; they buy the tires. As a result of this audit they are giving us an additional allowance of \$10 on the tires. They were always very fair and willing, if there was a difference of 10 cents to put it on.

Q. Do they buy accessories?—A. Yes, they have. Referring to the item \$3,771.69, that is not a question of blaming the department, but it is a question of what all the truck companies charge for their parts, and I have added to this a lot of correspondence to show that that is actually so.

By Mr. German:

Q. You have spoken about making a saving here on purchases. Now I would like you to look at this statement handed in by Mr. McQuarrie and tell us if the saving that you have suggested you made would apply to these motor trucks that were purchased by Mr. Russell?—A. Yes, I know that by heart. That was the first thing that was handed to me when I started to work. But I want to give you this statement as evidence, because it is information that the department wants to give and that you ought to have. I prepared it at very great length, and it has absolutely every cent that you have asked for in it, and I will hand it to you after I have read it. It covers all these points. It gives you all the information on each separate subject.

By the Chairman:

Q. Mr. Russell claims that you were rather premature in making up your saving until some time later when everything is rounded up?—A. There can be no possible difference in those parts. The other parts I claim nothing on.

By Mr. Carvell:

Q. What do you mean by other parts?—A. The parts of saving on equipping those trucks; I have not referred to them at all.

Q. I presume you mean that you are doing the same work as Mr. Russell did in attaching the bodies, putting on the wheels and doing whatever may be necessary to assemble them?—A. Yes, putting on the lamps, towing hooks, and a lot of other things that I have not made any reference to whatever and that he claims I should be careful of. That I have not referred to at all. I will read the letter which Mr. Russell wrote to General Hughes on March 18, *re* motor tires.

Q. What do you say was the actual price?—A. I will read my answer to it.

By Mr. German:

Q. There is just one concrete question that I want you to answer after luncheon; Mr. Russell supplied the Government with 144 motor trucks for the First Contingent, according to statement which is in this evidence No. 6?—A. Yes, some were two-ton trucks, and the others were 3½ and 3-ton trucks.

Q. They are all here in this evidence; you have given us the statement here that you made a saving on the purchase of trucks; taking the cost of those trucks as supplied by Russell, on the basis of your saving, how much saving would there have been effected on the purchase of those 144 trucks?—A. That is a very difficult question. I doubt whether at that time he could have gotten 144 all of one make on the condition that I got them.

MR. CARVELL: That is, you are comparing your prices with his; now, Mr. German wants to do is compare his prices with yours.

By Mr. German:

Q. You say you have made a very large saving?—A. This can be reversed absolutely as far as the saving goes, but I do not say that it is possible that Mr. Russell or that I could have done the same in three weeks, because I have worked very hard on it for four months.

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Q. Would you just take that with you; it figures up 144 trucks?—A. A great part of those I could not give you figures on, because Mr. Russell himself is agent for the Jeffrey Truck, and I doubt whether I could buy them any cheaper than he can sell them.

Q. Then he was in command of the ship, as far as he was concerned; you could not have made any savings on trucks that were under his control?—A. I don't know how far he is in command of the ship. If I had really needed the Jeffrey Truck I might have tried to buy them otherwise.

Q. Then wherein do you say you have made this saving?—A. In the purchase of the second trucks. If the first had been repeated you would have had, on the one hand, an expenditure \$196,060.80 more for what I have just purchased than you have today.

By Mr. Carvell:

Q. Apply that same calculation to the 144 trucks purchased there?—A. I can do that for you, but it takes time to do it. I will do it as far as I can before 3 o'clock. Of course, some of it can be applied automatically because it is for the same material.

The CHAIRMAN: I do not understand that Major Thomas says that he could have saved \$196,000 if he had been purchasing the same trucks as Russell, but by four months' experience and whacking away he has now got it crystallized.

Mr GERMAN: What I want him to do is to apply his crystallized ideas to the 144 trucks.

By Mr. Rhodes:

Q. Is it 144 trucks?—A. I suppose you are referring to that statement on page 158, Mr. German?

Mr. GERMAN: Yes.

The WITNESS: I think it is really 143.

Mr. GERMAN: Whether it is 143 or 144, just answer that as definitely as you can.

The WITNESS: Shall I finish the reading of this?

The CHAIRMAN: Yes.

The WITNESS: I will try to show the saving and the true figures. Necessarily Mr. Russell was working under hardship, and could not have been expected to have duplicated this. As a matter of fact Mr. Russell, or anyone in Canada, has not the file to draw on that would have enabled him to furnish these figures.

By Mr. Carvell:

Q. Will you tell me that only 7 per cent of the cost of the tire is dutiable?—A. Yes, there is no duty on rubber; there is only duty on lead, lithage, zinc, and of course on the steel, but I am not including it. Up to the time this War Tax went on there is no duty on rubber in Canada.

The Witness then completed the reading of his correspondence and memoranda as follows:—

DEPARTMENT OF MILITIA AND DEFENCE.

OTTAWA, March 29, 1915.

The Honourable,

Major General SAM HUGHES,

Minister, Department Militia and Defence,
Ottawa.

SIR,—For your information and for evidence before the Public Accounts Committee, the following is submitted to show the saving effected by purchasings in châsses, replacement units parts and tires, at the prices given in a report made to the Honourable J. D. Hazen, Acting Minister of Militia and Defence, in your absence on January 19, 1915, as against the same equipment priced accord-

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ing to the cost of the same chasses purchased for the first contingent and the price for replacement units parts and tires, for the same contingent.

The saving is effected on the shipment for the first and second months of equipment to supply one Division with transport for active service, maintain it in the field, according to the proportions of reserve and replacement chasses, replacement units, parts and tires, laid down by the War Office, as follows:—

The first month, 140, 3 ton chasses; 15 reserve chasses.

10 balanced sets of replacement units for above chasses.

10 balanced sets of replacement parts for above chasses.

95 sets of replacement tires for above chasses.

The second month, 15 replacement chasses.

5 balanced sets of replacement units for above chasses.

5 balanced sets of replacement parts for above chasses.

35 sets of replacement tires for above chasses.

Referring to attached memorandum to yourself, dated to-day *re* cost of first contingent trucks, you will see that the average cost of 103-3½ and 3 ton trucks purchased was \$3,315 or, \$765 per truck in excess of the present contract price of \$2,550 for Kelly trucks.

Referring to attached memorandum to yourself, of to-day's date, *re* cost of repair parts for Kelly trucks, you will see that the cost of one complete set of parts was \$3,771.64, or, \$1,807.24 in excess of the present contract price of \$1,964.

Referring to attached memorandum to yourself, under date of March 23, 1915, *re* motor truck tires, you will see that the cost of one set of six 38 x 5 replacement tires was \$15.12 per tire, or, \$90.72 per set beyond the present cost per set including duty.

I will also draw your attention to the memorandum to the Q.M.G., attached under date of March 22, on price of repair parts, showing that the White Company are now supplying repair parts for the first contingent, at a 20 per cent discount instead of net as heretofore.

By these figures, the saving between the old prices and the present prices on the first two months active service of one Division transport, is as follows:—

1st Month—

155 Chasses, at saving of \$765 each.	\$118,575 00
10 set of Replacement Units, at saving of \$1,807.24 per set.	18,072 40
10 sets of Replacement Parts, at saving of \$1,807.24 per set.	18,072 40
95 sets of Replacement Tires, at saving of \$90.72 per set.	8,618 40

2nd Month—

15 Chasses, at saving of \$765 each.	\$ 11,475 00
5 sets of Replacement Units, at saving of \$1,807.24 per set.	9,036 20
5 sets of Replacement Parts, at saving of \$1,807.24 per set.	9,036 20
35 sets of Replacement Tires, at saving of \$90.72 per set.	3,175 20

Total.	<u>\$196,060 80</u>
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This is the saving on the three main items of Chasses, Repair Parts and Spare Tires, on which I reported to you roughly the saving of \$180,000.

I have the honour to be, sir,

Your obedient servant,

(Signed) W. OWEN THOMAS,
Major.

January 19, 1915.

To The Honourable J. D. Hazen,
Acting Minister of Militia and Defence,
Ottawa.

SIR,—There will be required to supply one Division with transport for the first four months of active service the following shipment each month:—

1st Month—

155 Kelly-Springfield Chassis at \$2,303.	\$356,965
10 Kelly-Springfield sets of units at \$2,303.	23,030
10 Kelly-Springfield sets of parts at \$2,303.	23,030
141 Transport bodies at \$168.	\$ 23,688
12 Workshop bodies (fitted) at \$3,500.	42,000
12 First Aid bodies (fitted) at \$1,200.	14,400
250 Sets tires and steels at \$247.	61,750
155 Sets equipment and fittings comprising alterations to seats, rifle racks, fittings, bodies, tires and one coat of paint, spare parts and tools in boxes, tow rope, head light and generator, spare gasoline and oil tanks, set of wheel chains and fire extinguisher, estimated at \$205.	31,775
20 Motor Bicycles at \$313.	6,260
12 Motor cars (including spare tires and parts) at \$3,000.	36,000
Total for the month.	\$618,898

2nd Month—

15 Kelly-Springfield Chassis at \$2,303.	\$ 34,545
5 Kelly-Springfield sets of parts at \$2,303.	11,515
5 Kelly-Springfield sets of parts at \$2,303.	11,515
25 Transport bodies at \$168.	4,200
50 Sets of tires and steel at \$247.	12,350
25 Sets equipment and fitting at \$205.	5,125
10 Motor Bicycles at \$313.	3,130
6 Motor cars (including spare tires and parts) at \$3,000.	18,000
Total for month.	\$100,380

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3rd Month—

Same as second month.

4th Month—

Same as second month.

Total for Four Months—

First month.....	\$618,898
Second month.....	100,380
Third month.....	100,380
Fourth month.....	100,380
Total.....	<hr/> \$920,038
Engineering and inspection, 1½ per cent.....	13,800
Estimate freight and other expenses to steamer, 280 at \$150 each.....	<hr/> 42,000
Total for four months active service, transport for one Division.....	<hr/> \$975,838

I have the honour to be, sir,

Your obedient servant,

W. OWEN THOMAS,
Major.

MARCH, 29, 1915.

Minister of Militia and Defence,
Ottawa.*Re:* Cost of First Contingent Trucks:

According to the evidence given before the Public Accounts Committee, the average cost of 103—3½ and 3 ton trucks, bought for the first contingent, is \$3,315.

The figures show:—

15—3½ Ton Gramm trucks at \$4,600 00 less 20 per cent..	\$3,680 00
38—3 Ton White trucks at 3,700 00 less 10 per cent..	3,330 00
25—3 Ton Peerless trucks at 3,700 00 less 10 per cent..	3,330 00
25—3½ Ton Kelly trucks at.. 3,400 00 less 10 per cent..	3,060 00

The above prices are all "In bond." The Gramm trucks being figured at 20 per cent instead of 10 per cent to cover the duty on parts. This was Mr. Russell's original agreement with them, although they were finally paid the list price of \$4,600 less 10 per cent to cover duty on parts which they had already paid.

The cost of the 3½ ton Kelly trucks, under the present contract, is \$2,550 "In bond", on the same basis. The saving, therefore, per truck, is the difference between \$3,315 and \$2,550, or \$765 per truck.

A previous memo. given you, showed a slightly greater saving, but this was based on the actual prices paid for Gramm trucks, and made no allowance for duty on parts.

(Signed) W. OWEN THOMAS,
Major.

W. O. THOMAS.

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MARCH 29, 1915.

Minister of Militia and Defence,
Ottawa.

Re: Cost of Repair Parts:

For your information, the auditing of the costs of the parts of the Kelly trucks, under the terms of the contract with them, was completed on February 15, but the balanced parts cost list, under the War Office specifications is only just completed, the first pencil copy being the only one that we have.

The cost of one set of parts necessary to make one complete Kelly truck chassis, is \$1,964.40, being factory cost, plus 20 per cent, under the terms of the contract. The cost of one complete set of parts, under the old price list, by which parts were priced up to December 16, 1914, is \$3,771.64. Both prices being without either tires or tire steel equipment.

The following letter and telegrams from the Kelly-Springfield Motor Truck Company, in the middle of December last, to the department, marks the change from the old prices to the prices under the existing contract.

H.Q. 38-72-52.

The Kelly-Springfield Motor Truck Company,
Springfield, Ohio.

DECEMBER 17, 1914.

GENERAL SAM HUGHES,
Minister of Militia and Defence,
Dominion of Canada,
Ottawa, Ontario.

HONOURABLE SIR,—I am advised that an officer in your department wired our factory for prices on motor and other units, as extras for the motor truck equipment now at Salisbury Plains; and that the factory quoted full list price without discount. On learning of this, I immediately wired to give unit prices as submitted to Mr. Thomas, at Ottawa. You will, therefore, have a corrected telegram with prices which while our proposition did not cover the first order, we will on this carry out the spirit of the proposal submitted.

Yours very truly,

JAS. L. GEDDES,
President.

TELEGRAM.

SPRINGFIELD, OHIO, December 16, 1914. 2.38 p.m.

Department of Militia and Defence,
Ottawa, Ont.

Engine complete with cone clutch twelve hundred and fifty dollars, fan complete thirty dollars, radiator one hundred and seventy-five each, transmission, two hundred thirty-five each, Jack Shaft three hundred sixteen each, driving chain, eighteen dollars each. Do not understand the exact magnet coupling required, also advise more definitely regarding the five double chains and gears state particular part of truck they are used on, can ship from our factory twenty-four hours after order is received.

KELLY-STRINGFIELD MOTOR TRUCK CO.

W. O. THOMAS.

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" Telegram.

" December 16, 1914.
" 6.30 p.m.

" Department of Militia & Defence,
" Ottawa, Ont.

" Telegram just sent was for list price. This wire is correction of parts at cost plus twenty per cent in accordance with figures quoted by this Company to Militia Department. Motor complete with Clutch six hundred twenty dollars seventy-eight cents each. Fan complete eleven dollars and forty-four cents each. Radiator one hundred and two dollars and eighty-one cents each. Transmission one hundred twenty-six dollars each. Jack shaft one hundred eighty dollars and fourteen cents each. Chains ten dollars and twenty-five cents each. Wire more definitely remaining parts wanted. Can make shipment quoted in previous wire.

" KELLY-SPRINGFIELD MOTOR TRUCK CO."

The following summary shows the difference between the prices given in the two telegrams. The one first received being 92% higher than the existing contract price, although the prices are exactly those at which the French Government and all users buy their repair parts.

December 16, 1914.	Telegram at 2.38 p.m.	Telegram at 6.30 p.m.
Engine complete with crutch	\$1,250 00	\$ 620 78
Fan complete	30 00	11 44
Radiator	175 00	102 51
Transmission	235 00	126 00
Jack shaft	316 00	180 14
Driving cham	18 00	10 25
Total	\$2,024 00	\$1,051 42

I believe by the end of the year, this saving in repair parts will prove to be quite an important one.

I attach hereto, a copy of a memo. sent to the Q.M.G. on March 22, 1915, showing that the White Co. have granted a 20% discount from their parts list, on the parts being sent to the First Contingent.

(Signed) W. OWEN THOMAS,
Major.

H.Q. 38-72-52.

March 22, 1915.

Quarter Master General,
Militia and Defence.

Prices of Repair Parts—

On a letter written by the White Company, Cleveland, dated 18/1/15, enclosing invoices for repair parts for White Trucks, to the amount of \$1,588.25, I wrote the following memo:—

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"This bill is over \$300 high, but as the parts are badly needed, and are charged on Sight Draft against B/L, the account should be passed and taken up later by mail."

On Jan. 23, 1915, the following letter was written:

H.Q. 38-72-52.

Jan. 23, 1915.

Messrs. The White Company,
Cleveland, Ohio.

"Dear Sirs,—Your's of the 18th enclosing account for \$1,588.25 received. Before paying the account I should like to call your attention to some of the prices charged, and which, according to our Mechanical Expert are excessive. Please remember that these parts are to replace those broken in the motors bought from you for the Canadian Troops and sent to Salisbury Plains, and which have been supplied by other firms free of charge. He takes exception to the charge of \$727 for the engine, he thinks \$625 would be a fair amount for this; in regard to the transmission gears and lever for which you have charged 350, he thinks \$250 would be a fair charge; for the jack shafts, for which you have charged \$400, he thinks \$250 enough.

"It is also noted that you have charged for clutch coupling and clutch ring, and universal joints and these do not appear to have been ordered.

Yours truly,

(Sgd.) J. L. B.,
Colonel,

Director of Supplies and Transport."

On February 5, The White Company, replied:—

"Regarding the prices which your expert thinks the parts should be. The prices charged are correct and we would have no jurisdiction in reducing the same, and it may be that your Expert is not familiar with the prices of parts for high grade motor trucks."

And again on March 19, they wrote:—

"On February 5 we wrote you quoting prices on spare parts for White Trucks which were ordered by Major E. C. Dean of Halifax, and which were shipped direct from our Factory sight draft against bill of lading. We noted from correspondence that the prices on these parts were thought excessive and our letter of the 5th of February stated that the prices were correct and that we were releasing the sight draft that you may obtain the parts. Since that writing a credit memorandum under date of Feb. 20 was issued for \$317.65, which represents a 20% discount on the parts, leaving a net amount of \$1,270.60."

You will see by this that The White Company admits the justice of a 20% discount from their Parts list price. In reality, the discount should be at least 40%, but it is difficult to obtain this, after a contract is once signed, without properly stipulating the prices at which repair parts will be supplied.

I am writing this to you, as I feel that some in the Department resent accounts being held up, although the above correspondence justifies my position.

Yours very truly,

(Sgd.) W. OWEN THOMAS.
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March 23rd, 1915.

Major General

The Honourable SAM HUGHES,
Minister of Militia and Defence.

Re: Motor truck tires:

I am in receipt of letter for report on above subject, written by Mr. T. A. Russell, dated March 18, 1915.

With reference to the first paragraph, the prices given out in answer to questions, have, in all cases, been exactly as the figures show, after deduction of rebates, which either the Dunlop Co. or the Canada Cycle Co., have made, and which have been forwarded to the extent of \$5,465.19, covering one hundred and fifty two (152) tires and steel equipment to divide them in sets of either four or six.

Mr. Russell then gives three (3) reasons for the difference in price.

(1) That, the size of tires were different.

The answers have been based entirely on the whole purchase, which included seven (7) different sizes, varying from 36 x 3½ to 42 x 5. Only average figures were given. The average does not exceed the size 38 x 5, used on the present trucks.

(2) That, the prices of tires have dropped in the last six (6) months, as a result of change in the rubber markets and other conditions, and that two definite reductions of 10 p.c. have been made by the motor truck tire makers of America for equipment by truck manufacturers.

I find that for the months beginning June, 1914, the New York market quotations average as follows:— For Celon 1st Latex Rubber, June 58c; July 56c; August 63c; September 60c; October 59c; November 61c; December 80c; January 67c; February 61c; March 65c. These prices show no great variation.

The same quotations for Smoked Sheets, are as follows:— June 59c; July 57c; August 57c; September 60c; October 51c; November 64c; December 80c; January 71c; February 64c; March 65c. These also show no great variation.

I have used in the arguments with tire makers, no prices that have been in effect for less than six (6) months. There were no reductions on the type of tires used during 1914. There has been a reduction of 10 p.c. below our present contract, which was made in January, 1915, but which I have not asked the tire companies to meet here in Canada; on account of the additional war taxes. To corroborate this I have wired to the Kelly-Springfield Motor Truck Company, and received the following reply:—

“New York, N.Y., March 23, 1915.

“Major OWEN THOMAS:

“Chateau Laurier,

“Ottawa.

“Firestone and Goodyear January nineteen fifteen made discount forty and eight tens prior to that date for over one year discount forty and seven tens and wheels shipped direct to tire co by manufacturer tire co drilling and placing tires on wheels shipping our factory at list less discount above.

“JAS. L. GEDDES.”

You will see by this that there has been no such reduction on the prices of the demountable tire used during 1914, to the Kelly-Springfield Motor Truck Co.

(3) That, it is the practice with the rubber trade to supply tires for original equipment on a lower basis than they supply them for replacement or spares.

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This is true, and is the legitimate reason why the prices of the tires for the first contingent stand as at present. To combat this in the new contracts, I have claimed that as the replacements in tires, called for by the War Office, are in excess of 200 per cent per annum, of the original quantities of tires, and that under these conditions, the Government becomes a definite and large purchaser of tires, which, under the new arrangement, are all of one size. On this condition, the two Canadian makers are supplying all of the tires needed by the Government both for new equipment and replacement, on the flat basis of 40 per cent and seven consecutive 10 per cent below the established American list price, which never changes, on the understanding that they are allowed also a rebate on the price of the material entering into the tires, which amounts to about \$3 per tire on 38 x 5 tires.

Mr. Russell then states that the tires supplied for the first contingent, are now on a basis of 40 per cent less 10 per cent less 10 per cent less 5 per cent.

The following is a tabulation showing in the first column, the established American list price for all of the sizes of tires supplied for the first contingent, the second column, shows the prices at which Mr. Russell bought, and the third column, shows the basis of 40 and seven consecutive 10 per cents, plus the duty allowance before referred to, at which the tires are being bought under the present contracts. All of the columns show the actual tire prices per tire, and have no reference to the steel which is separately bought above these prices, in both cases.

I have carefully audited the Canada Cycle accounts and find that within a very few cents, due to a difference in figuring the discounts, they check up with the price that Mr. Russell claims.

Size.	American Price List.	1st Cont. Price of List less 10% less 10% less 10% less 5%.	2nd Cont. Price of List less 40% and seven consecutive 10% with duty on raw material ad- ded.
	\$	\$	\$
36 x 3½.....	77 25	32 10	23 72
36 x 4.....	100 00	41 55	30 70
36 x 5.....	129 25	53 71	39 69
38 x 5.....	139 00	57 76	42 64
40 x 4.....	115 50	47 99	35 46
40 x 5.....	149 00	61 91	45 75
42 x 5.....	159 25	66 17	48 90

The dutiable materials amount to about 7 per cent of the entire contract price, and are on the basis of duties on manufacturing ingredients at the time of signing the contract. Future contracts will show a slight increase in the duty allowance, due to the change in duties lately made.

The above tabulation shows a difference of \$15.12 per tire, or \$90.72 per set for six 38 x 5 tires, as used on the present Kelly trucks, between the prices paid for the few replacement tired for the first contingent and the present contract prices between the Government and the two Canadian manufacturers. Viz.:—The Dunlop Tire and Rubber Goods Company, Toronto, Ont., and the Goodyear Tire and Rubber Company of Canada, Limited, Toronto, Ont.

Considering Mr. Russell's third paragraph, where he draws attention to the fact that it is usual to supply original equipment on a lower basis than to supply replacements or spares, and the fact that he was up against the Dunlop Company, as the only bonified Canadian manufacturer of the type of tires necessary,

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I do not consider that his corrected prices, as at present shown, by the records, were excessive.

In meeting the same conditions afterwards, when there was time to do it, I called together the representatives of all four leading rubber companies, at a meeting, and explained to them, that, if possible, Canadian tires would be purchased exclusively, but only at the right price. The Goodyear Company undertook to install full equipment for the type of tires needed and be ready to deliver half of the tires needed within three weeks. The Dunlop and Goodyear Companies, together undertook to meet the American prices and conditions, if they were allowed the actual duty on the imported materials of manufacture. The other two companies withdrew in a friendly attitude and asked to be considered instead, as makers of others types of rubber goods, which they were better equipped to make. No member of any one of the companies has ever dealt with me in considering prices or dealing with other important matters, except when representatives from both of the companies mentioned were present. I consider that the present dealings of the Government with these two tire companies, in the matter of price, have been on a thoroughly satisfactory basis, and recommend that the original intention of dividing the business equally between them, be carried out.

With reference to the quality of the goods delivered, I have been unable to find fault with a single one of the Goodyear tires. I have had to finally reject and ship back to the Dunlop Company, 61 tires, apart from some which they have trued up and have since passed inspection. The Dunlop Company, are co-operating thoroughly and willingly replace the defective tires. Both companies have, at all times, supplied all men necessary, from their factory, free of charge, and I do not think that the tire question will be any more of a problem, and I submit that it will stand the fullest investigation.

If the House asks for further figures on this question, they can be easily given in detail, as apart from needing the time for other work, I greatly enjoy digging out figures.

Yours truly,

(Sgd.) W. OWEN THOMAS.

RUSSELL MOTOR CAR COMPANY, LIMITED.

WEST TORONTO, CAN., March 18, 1915.

Major General,

The Honourable SAM HUGHES,

Minister of Militia and Defence,

Ottawa, Ont.

DEAR GENERAL HUGHES,—

I notice continued questions being asked in the House with regard to the spare Motor Truck Tires that went with First Contingent, and the impression that these have been charged to the Government at improper prices. This is entirely erroneous, and I feel in the interests of all concerned should be cleared up. This impression arises on account of two or three things.

(1) That the size of the tires was different.

(2) That the prices of tires have tremendously dropped in the last six months as a result of changes in the rubber market and other conditions. As a matter of fact there have been two definite reductions of 10 p.c. each made by the motor truck tire makers of America for equipment by truck manufacturers.

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(3) It is the practice with the rubber trade to supply tires for original equipment, on a lower basis than they supply them for replacement or spares.

The working out of the actual prices in the two transactions is as follows:—

First Contingent—

The tires have been supplied at a discount of—

40-10-10-10-5 p.c. from list price.

And the steel for the equipment at—

30 p.c. from list price.

On a set of tires such as used on the present Kelly Truck this made a cost of—

For the tires. \$346 55

For the steel. 28 98

Total. \$375 53

Since that time there have been in the United States two 10 p.c. reductions in tire prices, these reductions applying only on the tires, and not on the steel equipment. If therefore, the tires for the Second Contingent had been bought on the same basis as the original ones, but taking advantage of the market reductions in price, the price would have been \$309.69.

Second Contingent—

The actual price at which the new tire is being supplied is as follows:—

Tires, 40-10-10-10-10-10-10-10 p.c. off list, making \$239 33

Plus the American price of the steel equipment. . 19 66

Total. \$258 99

These prices prevail only on condition that the makers are allowed refund of duty on raw materials, which at the old rate of duty on raw materials amounted to \$13.23, making the total price of the sets for the Second Contingent \$272.22 if no refund of duty is allowed, as was the case with the First Contingent.

In other words, the present prices are only approximately 10 p.c. lower, present market conditions being considered, than those on which the first equipment was purchased. This difference in price is very slight when it is considered that the present order is for substantially ten times as many tires as the first, and when these are distributed over a period permitting economical manufacture, whereas the first tires were required in a hurry by Express, in small quantities, and distributed over seven different sizes of tires.

I trust that this will make the matter perfectly clear to you, and put you in position to answer any question in the way that you would wish.

Yours very truly,

(Signed) T. A. RUSSELL.

T.A.R/A.

W. O. THOMAS.

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HOUSE OF COMMONS,

Room 211,

WEDNESDAY, March 31, 1915.

The Committee met at 3 o'clock p.m., Mr. MORPHY presiding.

GEO. F. O'HALLORAN called, sworn and examined.

By Mr. Carvell:

Q. You are the Deputy Minister of Agriculture, are you?—A. I am.

Q. As such, you are the Commissioner of Patents?—A. I am Deputy Commissioner of Patents.

Q. Was a patent issued from the Patent Office some time in the early part of last autumn for a combined spade, shield and spade?—A. The patent to which you refer is a combination shovel. The date of issue was the 25th August, 1914.

Q. What is the date of the application?—A. 17th August, 1914.

Q. What is the date of issue?—A. That is the date of the receipt of the application in the Patent Office.

Q. The date of issue is the 25th. Eight days between the receipt of the application and the issuing of the patent?—A. Yes.

Q. And who was the patentee?—A. Ena MacAdam.

Q. Will you read the petition, just the formal part of it?

(Petition read by witness.)

(For certified copy of patent see p. 472.)

Q. That is the statutory form of petition?—A. Yes.

Q. Is that supported by an affidavit?—A. It is.

Q. Let us have the affidavit?

(Affidavit read by witness, see p. 473.)

Q. That refers to the petition?—A. Yes.

Q. To the petition, I presume was attached a specification, the usual specifications with plans and drawings?—A. One drawing only, in which there are three figures.

Q. Are there any other documents in connection with that patent that you haven't produced here?—A. I have produced what is known as the official fyle.

Q. What you have produced is the petition, then you have the specification?—A. Yes.

Q. And you have the drawings?—A. Yes.

Q. And the affidavit of the applicant?—A. Yes.

Q. And you have the claims of the applicant for the patent; that will be on the file, will it not?—A. Those are the documents which constitute the ordinary official record.

Q. Have you any other documents than those?—A. I have not the correspondence which might have passed.

By Major General Hughes:

Q. You have a letter from me?—A. It is not usual to attach to the official file any correspondence relating thereto.

GEO. F. O'HALLORAN.

5 GEORGE V., A. 1915

By Mr. Carvell:

Q. Was there not at one time attached to this file a memorandum from your Minister instructing you to give this application precedence over other pending matters?—A. No. There was a memorandum from myself directing the Chief Clerk of the Patent Office, to instruct the Examiner who had charge of the application to deal with it expeditiously.

Q. It was from yourself?—A. From myself, following the practice of the Department.

Q. And that was attached to this official file at one time?—A. Yes, but it had no connection with the official file, and we haven't it on the file.

Q. It is not there now?—A. No, it was taken off. It was simply a direction from me to the officers of the Department, and does not form any part of the official file.

Q. That was put on by you?—A. By me.

Q. How long does it usually take to get a petition for a patent through your office?—A. It would be very hard to state the average period. If any examiner is not any more than three months behind with his work we consider he is doing fairly well; and I understand that is the rule in the United States Patent Office, which is supposed to be one of the model patent offices of the world. They think if they keep their examiners down to three months it is all right.

Q. Would it be a fair deduction to make to say that three months would be a fair time to elapse between the filing of the application and the issuing of the patent, so far as your office was concerned?—A. That would be outside the average.

Q. What would you say would be the minimum?—A. I would not say, but it would be considerably less than three months.

Q. Would two months be nearer the correct time?—A. Perhaps.

Q. And on account of the memorandum which you placed on the file to give it precedence, it went through in eight days?—A. Yes.

Q. Do you know how many other patents had been passed over in order to give precedence to this petition?—A. I could not say how many, there are a very large number.

Q. There are hundreds, anyway?—A. Oh, yes.

Q. What is the number of this patent, I do not think we have it down yet?—A. The number of the patent is 157592.

Q. We cannot get this record, it must be taken back to your department, but will you give me a short description or specification, something which will make it intelligent on the record?—A. This is a public document, open to public inspection, would you not prefer to have a copy of it for the record, I will give you a copy of the specifications.

Q. Well you might give us shortly what is the subject of the patent?—A. The subject of the patent is a shield and a shovel, an instrument that may be used for shovelling and digging, and that may also be used as a protection to the soldier in the trench.

Q. Will you let me see the plan. There are three figures here; the first is a shovel blade, and to that shovel blade there is a handle attached?—A. You will see that the patent simply covers that handle.

Q. I have prepared a great many of these petitions for patents myself, and I know how absolutely unintelligible the specification is to the ordinary man, because it always seemed to me that the patent lawyer so worded them, if he possibly could, as to prevent the public knowing what he was talking about. I want you in your own words, to tell us of what the patent consists?—A. The invention really consists of an ordinary shovel—

Q. You mean a shovel blade?—A. What I had in mind was the ordinary shovel blade.

GEO. F. O'HALLORAN.

APPENDIX No. 3

Q. In size and shape?—A. Yes, with a hole in it, to which is attached a handle in two parts; the two parts at the base of the blade of the shovel are on a pivot so that they may swing, they are movable, one part of the handle may be called a spike, that is rigid to the blade of the shovel, and that is driven into the ground.

Q. But before doing so the wooden part of the handle would be swung around at right angles?—A. This support, the stiff part is driven into the ground and serves to support the blade of the shovel, which serves as a shield, and the other part serves as a support to the shield.

Q. That would be laterally, sideways?—A. At an angle.

Q. Would that support come on the rear or on one side?—A. It is along the same plane as the rigid part, the spike that goes into the ground.

Q. My idea was the other way, that you would have to put the shovel handle out to the right or to the left?—A. The blade is immediately above the upright, the spike upholding the blade, and the other part of the handle comes towards you.

Q. Would it be more correct to say that the handle proper is on a swivel?—A. A swivel cannot be moved laterally, I think "pivot" is the term used in the specification.

Q. Then the handle proper can be used as a brace?—A. Yes, to the driven part, I fancy so.

Q. Through the shovel there is, as I understand it, a hole through which the rifle barrel can be pointed, and through which it can be fired?—A. Yes.

Q. Does it say anything about the thickness of the blade, I don't suppose it would?—A. No, that it is to be of suitable thickness.

By Mr. German:

Q. They do not patent the hole?—A. No, that is not covered by the patent.

Q. You know there is nothing new under the sun. All patents are combinations. The CHAIRMAN: You mean the real, novel principle.

Mr. CARVELL: That is pretty well put, Mr. Chairman.

The WITNESS: As I understand it, it is simply this, a handle in two parts swinging on a pivot. I understand the hole in the blade of the shovel is not claimed.

By Mr. Carvell:

Q. Just read the claim. At the end of every specification, the thing is boiled down into: my invention is as follows.—A. (Claim read by witness.) In paragraph one of that claim nothing is said about the hole.

Q. You really get the claim in the third clause, and the hole is referred to there as a part of the scheme?—A. Yes.

By the Chairman:

Q. I would like to ask a question about this practice of expediting. Is that a common practice in your Department?—A. Yes. In this case I may say we followed the long established practice of the Patent Office. The practice, I may say, was established before I entered the office, about thirteen years ago and which has been observed ever since. That practice is this: When a Department of the Government intimates to the Patent Office that it is interested in or desirous of the early issue of the patent, the early delivery of the application, the application will be dealt with accordingly. In the present instance we simply followed our established practice.

By Mr. Carvell:

Q. Then, you got an intimation from some member of the Government that he wished this matter expedited?—A. Yes.

GEO. F. O'HALLORAN.

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By the Chairman:

Q. Further, is this practice not extended to individuals, apart from the Minister, on occasions, under what you term a special order given by yourself?—A. Yes.

Q. And is that a common practice?—A. I would not say it is a common practice. It is a practice, of course, we think it is in the public interest to follow it—in some cases; but we avoid it as much as possible. As a rule we recognise the right that applications should be dealt with in the order in which they are received.

Q. From your experience as a patent officer, would it be right to say that this is a patent for a combination of materials properly used, so arranged as to constitute a novelty in combination?—A. Oh, well, I would have to say that our patent examiner was in error in granting the patent if he did not find novelty.

Q. By way of a combination?—A. Yes.

By Mr. Carvell:

Q. Who was the Minister of the Crown that asked you to expedite it?—A. The Minister of Militia.

Witness discharged.

Certified copy of patent subsequently filed by Mr. O'Halloran as follows:—

DOMINION OF CANADA,

PATENT OFFICE.

Certified to be a true and correct copy of the original record file (serial No. 189910) remaining on record in this office, relating to Patent No. 157592 bearing date the 25th day of Aug., 1914, and granted to Ena MacAdam for "Combination Shovels".

As witness the seal of the Patent Office hereto affixed at the City of Ottawa in the Dominion of Canada this 31st day of March in the year of our Lord one thousand nine hundred and fifteen.

[Seal]

GEO. F. O'HALLORAN,

Deputy Commissioner of Patents.

SERIAL No. 189910.

Filed Aug. 17, 1914.

Class 55, sub-class 14.

Subject: Combination Shovels.

Inventor, E. MacAdam.

Referred to Examiner, Div. 2, 20/8/ 1914.

Passed Aug. 21st, 1914.

W. H. W.,

Examiner.

PETITION WITH POWER OF ATTORNEY.

TO THE COMMISSIONER OF PATENTS, OTTAWA.

PATENT OFFICE, August 17, 1914. CANADA.

The petition of Ena MacAdam, a subject of the King of Great Britain, resident of the City of Ottawa, Province of Ontario, Dominion of Canada, sheweth, That she has invented new and useful improvements in Combination Shovels, not known or used by others before her invention thereof, and not being in public use, or on sale, with her

GEO. F. O'HALLORAN.

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consent or allowance as such invention for more than one year previous to her application for a Patent therefor, in Canada. Your petitioner therefore, prays that a patent, may be granted to her for the said invention as set forth in the specification in duplicate relating thereto, and for the purposes of the Patent Act, your petitioner elects her domicile in the City of Ottawa, Province of Ontario.

And she hereby appoints Messrs. Fetherstonhaugh & Co., 53 Queen Street, Ottawa, Canada, attorney with full power of substitution and revocation, to prosecute this application, to make alterations and amendments therein, to sign the drawings, to receive the Patent and to transact all business in the Patent Office connected therewith.

Signed at Ottawa, Ont., this 13th day of August, 1914.

In the presence of

ENA MACADAM.

JAMES MITCHELL,

(Witness).

DOMINION OF CANADA }
PROVINCE OF ONTARIO } S. S.
COUNTY OF CARLETON. }

OATH.

I, Ena MacAdam, a Subject of the King of Great Britain, residing at the City of Ottawa, Province of Ontario, Dominion of Canada, do hereby make oath and say, that I verily believe that I am the inventor of the new and useful improvements in Combination Shovels, described and claimed in the specification relating thereto, and for which I solicit a Patent by my Petition dated August 13, 1914. And, I further say that the several allegations contained in the said petition are respectively true and correct. And I further say that the same has not been patented to me or to others with my knowledge or consent in any country.

ENA MACADAM.

Sworn before me at }
Ottawa, Canada, this } RUSSELL S. SMART,
14th day of August, 1914. } *Notary Public, Etc.*

Patent No. 157592.

G. R., J.

20-10-14.

Filed August 17th, 1914.

14-1.

SPECIFICATION.

TO ALL WHOM IT MAY CONCERN:

Be it known that I, ENA MACADAM, a subject of the King of Great Britain, residing at the City of Ottawa, Province of Ontario, Dominion of Canada, have invented certain new and useful improvement in,

COMBINATION SHOVELS

and do hereby declare the following to be a full, clear and exact description of the invention, such as will enable others skilled in the art to which it appertains to make and use the same:

GEO. F. O'HALLORAN.

5 GEORGE V., A. 1915

This invention relates to combination shovels adapted to be utilized by the military, and the objects of the invention are to facilitate in mounting the shovel on the top of a parapet or the like thereby providing a shield to protect the head of a soldier in the act of firing, to so anchor the inverted shovel in position that turning due to impact of the bullets thereon is obviated to so support the shovel that impinging bullets will strike the concave surface and will not be deflected therefrom and other objects which will be made clear hereinafter, and it consists essentially of the improved construction of shovel particularly described and set forth in the following specification and accompanying drawings forming part of the same.

In the drawings,

Figure 1 is a perspective view of the improved shovel.

Figure 2 is a perspective view of the inverted shovel transformed into a shield and mounted on a parapet.

Figure 3 is a side elevation of the improved shovel.

Like characters of reference refer to like parts in the several drawings.

Referring to the drawings, A represents the improved shovel comprising the curved blade 1 which is formed with a firing loop hole 2 located near one side thereof. The handle of the blade is formed in two parts, the part 3 being integral with the blade and having a pointed end adapted to enter the ground to thereby constitute a spike to support the blade in inverted position when used as a shield. The other part 5 of the handle is pivotally mounted in lugs 4 and provided with a hand grip 6 of any suitable type.

To secure the two parts in parallel alignment suitable means are employed, such as the collar 7 which is mounted on the part 5 and is adapted to be slid onto the end of the part 3, the said end being tapered whereby the collar may be tightened in position.

The shovel is designed to be used first for excavating and throwing up parapets and the like, and secondly as a shield. When used for the latter purposes it is inverted and the collar 7 is disengaged from the part 3 and slid towards the hand grip 6 when the part 5 is turned about its pivoted end, permitting the part 3 to be driven into the ground until the lower edge of the inverted shovel comes near the ground, whereupon the part 5 is caused to lie along the surface of the ground and at an angle to the part 3 and so serves to anchor the same.

It will of course be understood that in this position the convex surface of the shovel looks inwardly towards the inner side of the parapet so that bullets will impinge upon the concave side and not be deflected thereby.

It will be clearly seen that a shovel used in this manner provides an excellent shield for the head of a soldier in the act of firing, while the location and size of the firing loop 2 does not necessitate the head being exposed in taking aim.

The shovel blade is manufactured of any suitable resilient material having the necessary hardness to resist a rifle bullet and may be of nickel, vanadium steel or the like.

As many changes could be made in the above construction and many apparently widely different embodiments of my invention, within the scope of the claims, constructed without departing from the spirit or scope thereof, it is intended that all matter contained in the accompanying specification and drawings shall be interpreted as illustrative and not in a limiting sense.

What I claim as my invention is:—

1. A combination shovel and shield comprising a blade, a two part handle therefor one part of which is rigidly connected to the blade and is provided with a pointed end, the other part of which is pivotally connected thereto and is provided with a hand grip, and means for securely fastening the two parts in parallel relation to one another.

2. A combination shovel and shield comprising a blade having a loop hole there-through, a two part handle therefore, one part of which is rigidly connected to the

Geo. F. O'HALLORAN.

APPENDIX No. 3

blade and is provided with a pointed end, the other part of which is pivotally connected thereto and is provided with a hand grip, and means for securely fastening the two parts in parallel relation to one another.

3. A combination shovel and shield comprising a blade having a loop hole there-through, a two part handle therefor, one part of which is rigidly connected to the blade and is provided with a pointed end, the other part of which is pivotally connected thereto and is provided with a hand grip, and a collar mounted on the pivotally connected part of the handle and adapted to engage the rigidly connected part for securely fastening the two parts in parallel relation to one another.

In testimony whereof I have signed at the City of Ottawa, this 13th day of Aug., 1914.

ENA MACADAM.

In the presence of:

JAMES MITCHEL,
B. A. LEAMY.

157592

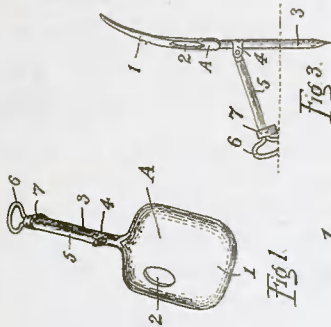


Fig. 1

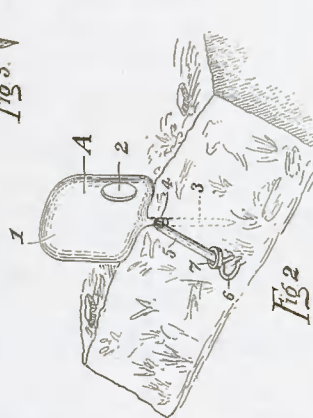


Fig. 2

INVENTOR

ENA MACADAM

BY HIS ATTORNEYS

Aug 17 1914

Witnesses

James Mitchell

B. A. Leamy

Ena Macadam

PATENT OFFICE CANADA.

Department
Aug. 17, 1914.
Agriculture.

Received from Ena MacAdam

\$20.00

No. 242359.

Patent Fee.

F.C. Chittick.
J.C.O.D.
Accountant.

GEO. F. O'HALLORAN.

5 GEORGE V., A. 1915

DOMINION OF CANADA,

DEPARTMENT OF AGRICULTURE,

No. 189910.

PATENT OFFICE,

OTTAWA, Aug. 18, 1914.

GENTLEMEN—I have the honour, by direction, to acknowledge the receipt of your letter of the 17th instant with enclosures, on the subject of an application for patent for "Combination Shovel" in favour of Ena MacAdam.

In reply, I am to inform you that this application has been entered under serial number 189910 and bears a filing date of the 17th of August, 1914.

I have the honour to be,

Your obedient servant,

W. J. LYNCH,

Chief of Patent Office

To Messrs, FETHERSTONHAUGH & Co.,
Ottawa, Ont.

Patent Office.
August 20, 1914.
Canada.

ENA MACADAM,
Combination shovels.
Serial No. 189, 910, filed Aug. 17, 1914.

To the Commissioner of Patents,
Ottawa.

Cancel the specifications and claims in this case and insert new specifications and claims filed herewith.

Remarks.

This amendment is made in view of an interview with the examiner citing the prior state of the art.

Respectfully,

ENA MACADAM,

Per FETHERSTONHAUGH,
Attys.

August 20, 1914.

This invention relates to combination shovels adapted to be utilized by the military, and the objects of the invention are to facilitate in mounting the shovel on the top of a parapet or the like thereby providing a shield to protect the head of a soldier in the act of firing, to so anchor the inverted shovel in position that turning due to impact of the bullets thereon is obviated to so support the shovel that impinging bullets will strike the concave surface and will not be deflected therefrom, and other objects which will be made clear hereinafter, and it consists essentially of the improved construction of shovel particularly described and set forth in the following specification and accompanying drawings forming part of the same.

In the drawings,

Figure 1 is a perspective view of the improved shovel.

Figure 2 is a perspective view of the inverted shovel transformed into a shield and, mounted on a parapet.

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Figure 3 is a side elevation of the improved shovel.

Like characters of reference refer to like parts in the several drawings.

Referring to the drawings, A represents the improved shovel comprising the blade 1 which is formed with a substantial curve having a firing loop hole 2 located near one side thereof, such blade being provided with a spike 3 formed integral therewith.

This spike is provided at that end adjacent to the blade 1 with lugs 4 having an orifice therethrough the object of which will be made clear hereafter.

Co-operating with the spike 3 is a shaft 5, the lower end of which is pivotally mounted in the lugs 4, the other end being provided with a handle 6 of any suitable type. To secure the shaft 5 in engagement with the spike 3, I preferably employ a collar 7 which frictionally engages with the said shaft and spike at that end adjacent to the handle 6, but is adapted to be slidably disconnected from the spike, thereby permitting the shaft 5, being rotated about its pivoted end.

The shovel is designed to be used in a dual capacity, first for throwing up parapets or the like and secondly as a shield and to this end the collar 7 is disengaged from the spike 3 and slid towards the handle 6 of the shaft when the shaft 5 is rotated about its pivoted end so permitting of the spike 3 being firmly driven into the ground until the lower edge of the inverted shovel engages with the surface of the ground, whereupon the shaft 5 is caused to lie along the said surface of the ground with the handle 6 partially embedded therein.

It will of course be understood that in this position the convex surface of the shovel looks inwardly towards the inner side of the parapet so that bullets will impinge upon the concave side and not be deflected thereby.

It will be clearly seen that a shovel used in this manner provides an excellent shield for the head of a soldier in the act of firing, while the location and size.

What I claim as my invention is:—

1. A shovel adapted to be inverted to form a shield and having means for engagement with the ground.

2. A combined shovel and shield comprising a shovel having means adapted to project into the ground and other means adapted to lie flatly on the surface of the ground.

3. A shovel adapted to be inverted to form a shield and having means for engagement with the ground and anchoring means designed to secure the said shovel in position.

4. A combined shovel and shield having a loop-hole in the blade thereof.

5. A shovel of the class described comprising a blade having a loop-hole therethrough, a spike formed integral therewith, lugs formed on the lower end of the said spike, a shaft pivotally mounted in the said lugs and means for securing the shaft and spike in engagement.

6. A shovel of the class described comprising a blade having a loop-hole therethrough, a spike formed integral therewith, lugs formed on the lower end of the said spike, a shaft pivotally mounted in the said lugs such shaft being provided with a handle and a collar adapted to engage with the said spike and shaft substantially as described.

Action continued.

Let. New spec & claims reg'd Aug. 20/20/14

21-814.

PATENT MAY 18502

W. J. Lynch.

Chief of Patent Office.

Patent dated Aug. 25 1914.

Mailed Aug 25 1914.

APPLICATION FOR PATENT

No. 189910

Department of Agriculture

PATENT OFFICE

Ottawa.

August 17 1914

APPLICANT

Ena MacAdam

per

Fetherstonhaugh & Co.

53 Queen Street.

INVENTION

Combination Shovels

COST OF COPIES.

PATENT AND SPECIFICATION \$	
SPECIFICATION	1.25
DRAWING	.25
PETITION	
OATH	

10,000-31-2-10

\$ 20.00 Receipt No. 242359.

C. P. D.

Action.

Acknowledged by circular I and receipt mailed

APPENDIX No. 3

The CHAIRMAN: General Hughes has many duties devolving upon him, and he has requested to be allowed to make a statement about the glasses and some other things. Will I call General Hughes? Is it customary to swear a Minister?

Mr. CARVELL: I have never seen a Minister sworn.

The CHAIRMAN: Then we will have the statement of General Hughes.

Major General the Hon. SAM HUGHES called and examined.

General HUGHES: When the war broke out, soon after the war broke out, the question of furnishing those entitled to field glasses under the British regulations came up. I sent to my Director of Contracts and asked him what his policy was in this regard. He stated to me that the matter was left to Colonel Hurdman, who was inspector of our Transport Department, and that he had taken steps to gather these glasses up. I asked him: Why not get them wholesale? If I remember right the answer either of Mr. Brown, the Director of Contracts, or one of my leading officers, was that they could not be obtained, that there were none to be had, they could pick them up from the retailers around the country. I saw at once there was room for high prices if Colonel Hurdman were allowed to go around the country and pick these things up. I may say that I had received a message by telephone a couple of evenings before this, that is what brought my attention to the fact, that I had better look into the glasses, that it was in very bad hands. When I heard that Colonel Hurdman had been out two or three days before picking them up, I at once decided to send for one of the Ellis boys, of Toronto, boys that I had known for years, boys that sat in the Model School, P. W. Ellis and his brother Matt, with me long years ago; boys whose word would be taken anywhere in the Dominion of Canada or on the Continent. I knew I would get a square deal, so I sent for these gentlemen, and told Mr. Brown at the time that I had not all the faith possibly that I should have in the judgment of Colonel Hurdman. He is a good soldier, but I was afraid he might possibly be carried away on the glasses. I sent to Mr. Ellis and entrusted the matter to his firm. My instructions were as contained in the record, I presume the letter has been read here. My instructions were that they were to secure the glasses at the lowest possible price consistent with the expedition necessary, and that to meet their requirements I thought that a 10 per cent commission on the cost of these glasses would be a small but, at the same time under the circumstances, fair remuneration. I may say that Mr. Ellis patriotically undertook the job. I do not know anything about the details since, only I do understand that there was considerable manipulating in order to get prices down and to prevent rings being put up to corner the market, and force high prices for the glasses, and I had great faith in the Ellis boys that they would be able to do it right. Mr. Ellis has told his own story, so I need not take up any more time in regard to that. For the second contingent, before I went to England, I asked the same firm to undertake the job of getting the glasses. I have seen in the papers—I have not had time to read the evidence—I am afraid that some one has confounded the glasses required, some Ottawa firms, a man named Bilsky, with the second contingent instead of the first contingent glasses. I do not think Bilsky knew of the first contingent glasses. That was away down in October. The first contingent glasses were before that.

Mr. CARVELL: I had that idea myself, and I especially asked Colonel Hurdman to bring sample of the glasses and he said they had gone to England.

Hon. Mr. HUGHES: Our glasses were obtained before the date I saw in the paper the other day. I was in England at the time, and I asked the Ellis boys before I sailed if they could not, now there was some time, take time by the forelock and purchase at wholesale prices. They obtained an option on a large lot of glasses from this German firm in Rochester, Bausch & Lomb, and that option was—I suppose it is all right to give the figures—on 1,200 glasses, they got them at \$55 less 25 per cent, less

Major General HUGHES.

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25 per cent, less 2 per cent, plus the 10 per cent, I was paying them. That would bring it down to \$38.36, which was a remarkably low price for these glasses. This offer could not be held open. The Government were not prepared to buy the glasses at the time, and Mr. Ellis, understanding that he was regarded as a middleman, let the option drop. I merely mention that in justice to Mr. Ellis to show he has done his duty. I might point out with regard to Colonel Hurdman another reason that I insisted that Ellis instead of Hurdman should buy the glasses, knowing that British officers had glasses of a dozen different descriptions. Colonel Hurdman was very insistent that only the Bausch & Lomb glasses should be used. I heard that a certain firm in Ottawa were the sole agents for these, and putting two and two together it struck me that there might be a possibility of a little extra price being charged on that ground. I knew that the glasses that I used and that a great many others used were not of the same type as the Bausch & Lomb. The British officers did not always use them. The others were better and cheaper glasses. But notwithstanding Colonel Hurdman had put down in the specification, and showed us they were the specifications of the British Government—that these were the glasses that Colonel Hurdman was trying to compel the Department to buy. For that reason I changed them.

Mr. CARVELL: I would like to ask a question. I notice on page 96 of the evidence, there is a letter signed by the Director of Contracts to Messrs. P. W. Ellis & Co., dated August 26, 1914. It reads:

Gentlemen:

Please supply—

600 Binocular Field Glasses.

144 Compasses, prismatic, with case.

100 Telescopes, signalling, with stand.

At the best prices obtainable, and have same shipped to the Militia Inspection Room, 203 Queen St., Ottawa. These goods to approximate in style, quality, etc., as near as may be, under the circumstances, to the Departmental patterns which your Mr. Mason has seen.

Goods to be charged direct to the Militia Department and to be subject to the usual inspection. Invoice to be made out in triplicate to the Department and certified by you; bill to be paid within thirty days of receipt of the goods, provided the invoices are promptly sent in.

I am instructed by the Minister to say that you will be paid 10 per cent commission for this work. Please make every effort to procure goods as quickly as possible.

Yours faithfully,

H. W. BROWN,

Director of Contracts.

Is that the letter to which you refer?

Hon. Mr. HUGHES: No, I think the letter is one that I wrote. I am not sure whether it is produced or not. I will send it to you.

Mr. CARVELL: We did have here a telegram, there is not very much in that.

Hon. Mr. HUGHES: That is my letter.

Mr. CARVELL: Let us come back now. There is a telegram from yourself, we find it on page 95. (Read.)

"P. W. ELLIS COMPANY,
Wholesale Jewellers,
Toronto.

AUGUST 24, 1914.

We wish to obtain 600 field glasses, good quality. Will you or Matt undertake the duty of selecting these from the various dealers? We have perfect confidence in your judgment. Will you please come to Ottawa to-night or as soon as possible."

Major General HUGHES.

APPENDIX No. 3

Then I suppose, there is no doubt that was the negotiation?

Hon. Mr. HUGHES: Remember this, that Colonel Hurdman had been around picking up glasses, so the Director of Contracts told me.

Mr. CARVELL: But as between you and Mr. Ellis that opened the negotiation?

Hon. Mr. HUGHES: Yes.

Mr. CARVELL: That seems to be followed up on the 26th of August by the letter which I have just read from the Director of Contracts. Did you say that there was other correspondence between you and the firm?

Hon. Mr. HUGHES: I won't say that is the letter, but I will look it up.

Mr. CARVELL: If you find anything else if you will let the Committee have it that will be satisfactory. Now, I want some information. You said you found it necessary to furnish these officers who are entitled to them with field glasses. As a matter of general information, who are entitled to glasses?

Hon. Mr. HUGHES: Commissioned officers and all signallers.

Mr. CARVELL: Well, then, so far as these letters go, there seems to be no standard laid down, no absolute standard?

Hon. Mr. HUGHES: We had to take what we could.

Mr. CARVELL: That may be true, but as far as the correspondence goes there seems to be no standard. Did you instruct Colonel Hurdman as to what the standard should be?

Hon. Mr. HUGHES: I did not give Colonel Hurdman any instructions. The only instructions I gave him were that he was to cease buying.

Mr. CARVELL: That was an easy one to obey. Are you quite sure that he stopped?

Hon. Mr. HUGHES: I am not sure, I had other fish to fry. I would be rather surprised if he did not. But I wanted to have the buying of the glasses in the hands of the men I could swear by, and swear to if necessary.

Mr. CARVELL: Did you give or withhold any instructions as to the inspection of these glasses?

Hon. Mr. HUGHES: None whatever. I had absolute faith in Ellis.

Mr. CARVELL: Colonel Hurdman has sworn that it was his duty to inspect the glasses and he did so.

Hon. Mr. HUGHES: I do not know. I do not know where he got his authority from. It may be the custom of the department. He had no direct authority from me. Now about the trucks. The truck question came up. The question of motor trucks had to be handled, and we soon found out also that the fellow that handled trucks had to be, like David Harum, a little sharp. We found out that all sorts of persons were being asked for all kinds of trucks, and all kinds of trucks were being presented.

Mr. CARVELL: And you found that some trucks would stand without hitching.

Hon. Mr. HUGHES: My policy in all these matters—for instance when we started to work building the water mains at Valcartier I put them under Sir William Price, in whom I had perfect confidence. I put the construction of rifle ranges under Colonel Lowe—

Mr. CARVELL: Bob Lowe?

Hon. Mr. HUGHES: With an engineer in whom I had confidence. Unfortunately Bob is a Grit. I appreciated him by having hung on to him. Then I put Colonel George Murphy in charge of the Army Service work, and he and my son handled the work of bringing the troops in. I put Colonel McBain in charge of getting the land. He was doing the work very satisfactorily until the lawyers and others in the province of Quebec got at the people and coaxed some of them not to settle.

Mr. CARVELL: You had better wait until next week before you give him a certificate of character.

Hon. Mr. HUGHES: I am willing to stand by anything he did.

Mr. CARVELL: Don't go too far.

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Hon. Mr. HUGHES: I will go just as far as that. Then I formed a committee for railway transport, and one for steamships, and they made reports from time to time. So in the question of trucks, this transport was a tremendous thing involving the expenditures of hundreds of thousands of dollars, and I looked around and found the general consensus of opinion was that if I got T. A. Russell of Toronto he would handle the business as expeditiously and faithfully as it could be done. And I presume no one will gainsay he has done fairly well considering the rush it was done under.

Mr. CARVELL: We will admit it was done expeditiously.

Hon. Mr. HUGHES: It may not be generally known that these fellows held up prices for commissions, all these concerns, I understand. I met my friend Thomas in New York, and I told him about it, and he was telling me what could be done with trucks, what had been done in trucks for the French Government. I asked him: Can you do that for Canada, and he said he could. I replied: You are the man I want. I was informed that Thomas was a private intelligence officer of another Government; but as soon as he commenced to explain to me how our trucks could have been obtained if we had had time, I said: Could you not do that for us with the next contingent, and he said he could. And he delivered the goods. But the combine of all the firms, excepting one or two, has been such that while a firm, in ordinary times, will sell five or six trucks to the garage people all over the country and wait for payment—

Mr. CARVELL: This is cash on delivery.

Hon. Mr. HUGHES —and take 33 per cent off and even less than that, and give them time, they would not sell to the British or Canadian Governments for any more than 10 per cent off. That is the deal that was put up, and I asked Thomas if he could break that down, and he said he would try; and I told him if he would I would stand by him. He succeeded in breaking it in at least one large company, and I think possibly he could have done it with one or two more, but their truck was not suitable. Russell bought for the first contingent and Thomas for the second with Major McQuarrie. I may say that McQuarrie is a young gentleman who comes from the county I represent; he studied for a Presbyterian clergyman, and then went into the garage business.

Mr. CARVELL: Just a moment. He goes back to the clergyman business during election time, doesn't he?

Hon. Mr. HUGHES: I think he is a Grit. I believe he has voted Tory once or twice. But like my friend Carvell, he is a Grit.

Mr. CARVELL: Did I understand you to answer my question in the affirmative that he goes back to the ministerial business at election times?

Hon. Mr. HUGHES: I never heard of it.

Mr. CARVELL: I may have been misinformed.

Hon. Mr. HUGHES: He is a splendid chap, but rather green and innocent as most clerical gentlemen are or else he would not have signed the fool receipt he signed for a shrewd fellow here. He is a good steady Scotch boy, he is as honest as the day is long.

Mr. CARVELL: We don't want to say anything against him.

Hon. Mr. HUGHES: The general plan that I took in connection with the trucks when I came back from England, I sent Russell over there to assemble them there, as they were not all shipped together, but he had nothing more to do with them. So far as I am concerned I had absolute faith in Russell's honour and fair dealing, and I stuck to him straight through. I hear he has given a clear explanation of everything before this Committee and has come out clean on top of the heap.

Mr. CARVELL: Were you through with the explanation regarding trucks?

Hon. Mr. HUGHES: Unless there is some question.

Mr. CARVELL: Now, I do not want to discuss this from the standpoint of Mr. Russell having played the game fairly or unfairly at all; therefore any questions I will ask will not be along that line. Have you any knowledge whether Mr. Russell tried to break the truck combine in the same manner as Major Thomas has done?

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Hon. Mr. HUGHES: I do not know I am sure. I presume you refer to the Kelly trucks.

Mr. CARVELL: Anything.

Hon. Mr. HUGHES: He told me that all he could get off was 10 per cent, and he could not get that from some of the big dealers. But when I met Mr. Thomas in New York on my return from Europe the latter part of November, he told me that one of the concerns, at all events, had furnished us with the trucks at 25 per cent off. I said I did not believe anything of the kind. He said: I can prove it. I challenged him to prove it. I said, if he could, it will shake my faith in Tom Russell. So he pointed out to me that the Kelly-Springfield had furnished their trucks at 25 per cent off. Well, I must confess it was a revelation to me, because a man does not like to have his faith shaken in any fellow. As soon as Mr. Russell came in—I think I was instrumental in bringing Mr. Russell home from England—I gave him to understand that I had a very serious proposition to place before him, that was why I wanted him to come home and explain his conduct. The reason I asked Mr. Russell to accept the rank of Honorary Major, and the reason I asked Mr. Thomas and Mr. McQuarrie to assume the rank was that if I found any sharp work going on, they, wearing the uniform, would come under the Military law, and I could put them through Court Martial in case it was something we could not reach under the technicalities of the Civil law. I told Thomas frankly it was not so much to give him the rank as that I could get a hold on him in case he did not play the game square. I asked Russell to come back. He came back. He said that the Company he had the honour of being connected with were the Canadian agents for this company and had the rights to absolutely control every motor that came into Canada, and that the Russell Motor Car Co. had the right to purchase these Kelly trucks in Canada, and they were the only ones who could purchase them, and that all he could individually get was 10 per cent off from the Company in connection with the Kelly trucks.

Mr. CARVELL: Did he tell you that when his Company obtained the agency?

Hon. Mr. HUGHES: I do not quite understand when they did. But I secured the services of Mr. Thomas on the strength of the conversation I had with him in New York, to break these combines.

Mr. CARVELL: Did Mr. Russell tell you at that time that on the purchasing of these Kelly trucks his company cleaned up \$12,500?

Hon. Mr. HUGHES: I have heard all sorts of stories.

Mr. CARVELL: Did you hear about that?

Hon. Mr. HUGHES: Don't know anything about it.

Mr. CARVELL: I want to tell you that Mr. Russell admitted here the other day that his firm had made \$12,500 on Kellys.

Hon. Mr. HUGHES: I have not the slightest doubt of it. The difference is between 25 per cent and 10 per cent.

Mr. CARVELL: Did you also learn that there had been a profit of nine or ten thousand dollars made by his firm on the purchase of the Jeffreys?

Hon. Mr. HUGHES: No, I did not know anything about that at all. What I do know about the Jeffreys, when I wanted to get a truck of that description, I consulted the best man I could get in the United States, General Humphreys of the United States Army.

Mr. CARVELL: Does the Minister say that he was having truck and trade with the Yankees?

Hon. Mr. HUGHES: Proud to do it. The Yankees have been very fine in all this matter, and their only one regret is that they are not in it with us.

Mr. CARVELL: It shows they are of a very forgiving nature.

Hon. Mr. HUGHES: It shows they are lovers of liberty. I asked General Humphreys which was the best truck for hard road work and this class of work, and he recommended the Jeffery truck for an armoured motor.

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Mr. CARVELL: Anyway I am not finding any fault with the truck you purchased.

Hon. Mr. HUGHES: The point I want to make is this: he told me at the time that the Jeffrey—I am only speaking from memory—I think he told me that the Jeffrey people declined to give them any reduction on the list price. I won't say that firm did not give any reduction.

Mr. CARVELL: Yes, they did.

Hon. Mr. HUGHES: I may be wrong. He stated that they were also agents, had just secured the agency for the Jeffreys.

Mr. CARVELL: And there was a reduction from the list price. Did he also tell you that his firm had made a profit of about \$6,500 on securing the accessories?

Hon. Mr. HUGHES: I do not know, I am not sure. No matter what firm we were dealing with they made a profit. We have found very few people in this business that are actuated by patriotic motives or love, I am very sorry to say. It is a revelation to me. The idea seems to be to get as high a price as they can get for everything.

Mr. CARVELL: A new arrangement was made after you came back from England, and you appointed Mr. Thomas. Are you satisfied now that you were purchasing cheaper than in the case of the first contingent?

Hon. Mr. HUGHES: Yes, a great deal cheaper. We are making a saving of about \$200,000 on the equipment. Even supposing those bodies are no good, which is not true, they will turn in all right; even throwing them in as worth nothing we will still be \$180,000 or \$190,000 ahead, counting Thomas's expenses.

Mr. CARVELL: That is the evidence given by Mr. Thomas.

Hon. Mr. HUGHES: I have not figured it out.

Mr. CARVELL: He gave that evidence here this morning.

Hon. Mr. HUGHES: But you must remember we have had more time for the second contingent, and although we have had an interesting struggle with the motor people we have had more time to consider the matter and go into it thoroughly. And we have got better prices in that way. I am not blaming Russell at all. Russell did splendidly considering that he was driven. I told him he must have those trucks at a certain time and he got them there.

Mr. CARVELL: We have no evidence that Mr. Russell got together 30 or 40 truck manufacturers in the United States.

Hon. Mr. HUGHES: When.

Mr. CARVELL: When he was buying for the First Contingent.

Hon. Mr. HUGHES: I do not know about that. I think he went down and asked them what they could furnish.

Mr. CARVELL: We have no evidence of that. We have evidence that he went to three or four different firms. I would like to know if you have any evidence of the number of people he approached.

Hon. Mr. HUGHES: He went over there, I do not know how many he approached, but I know he wrote me from three or four different points, telling me how he was getting along.

Mr. CARVELL: We have a statement, and it was sworn to by one of the witnesses, that representatives of over fifty firms came here when you were purchasing for the Second Contingent.

Hon. Mr. HUGHES: Fifty; I do not wish to swear to anything that is not true, but I am willing to swear there were five hundred men here about those trucks. What firms they represented I would not say, but there were five hundred here.

Mr. CARVELL: He was amazed about it.

Hon. Mr. HUGHES: Absolutely amazed, there were at least five hundred.

Mr. CARVELL: I might ask how Mr. Russell came to be taken on for this work. Were there no men in the Department who could look after it?

Hon. Mr. HUGHES: When I took up the transport question I looked around in my mind's eye all over the country for an honest man in the truck business. I realized

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that when one goes into the truck or horse business he requires to be cautious. I saw neither a truck man nor a horse man. A great many of them are very fine fellows, but on the other hand some of them would like to sell their own trucks even at a little disadvantage to their neighbours. I know that Tom Russell, who was an old time Liberal like myself, was a level-headed fellow. I knew that he had a splendid reputation among business men and institutions in the city of Toronto, and among all communities. I consulted my colleagues, a number of them, and represented to them that there was nobody available in the Department to handle the business; that it would go to seed and that we would have to pay all sorts of prices if we did not employ some competent man to look after it. I explained to them that my plan was to get the best man I could to take this thing up and drive it right through. Every one agreed that Russell was the man. I might say here that I have never heard any criticism of Tom Russell from any source except, as I say, some thought he might have a tendency to take the Kelly truck for which his own firm were agents, and that the Government might have got the 25 per cent off instead of his firm getting it. But Mr. Russell pointed out that the trucks, when they were brought in, had to be assembled, which explanation is, I think, satisfactory. As to the purchase of trucks for the Second Contingent I have Major Thomas looking after that, and, without blowing too much about that, I think I have struck a bonanza.

Now as to the shovel. The shovel is an invention by my secretary. I may say I never heard the specification until it was read here to-day, that I am aware of. That is not an important part of the patent, but the plan is important. The inventor was present at the manoeuvre in Switzerland in 1913 and saw the Swiss soldiers, and the French soldiers also in the field, and noticed that the soldiers heads when in the trenches were unprotected, and the remark was made, "Why not put up the shovels." I replied "No ordinary shovel would stop a bullet." Then the inventor, whose father is in the iron and steel business, said: "Why not get armour-plated steel for the shovel and fix it up with a hole for the rifle and the concave part to the front and add a handle." A very find idea. Now I find that is an idea which since the war broke out has been much talked of. I am told some Hamilton gentleman claimed that he told Colonel Morrison that he had this same idea years before.

Mr. CARVELL: Colonel Stoneman was here and told us about it.

Hon. Mr. HUGHES: Yes, the same idea was adopted. But as far as the inventor was concerned you will observe that she got the idea when in Switzerland long before and patented it long before Col. Stoneman wrote his letters.

Mr. CARVELL: When she was in Switzerland with yourself on that trip a year and a half ago?

Hon Mr. HUGHES: Yes on that famous trip; I am positive about that, and I might remark that trip was over the very same ground that the allies. trenches are on to-day. Now do you want to know anything more about the horses.

Mr. CARVELL: No, we want to know a little more about the spade. How many of them, perhaps it is in the record somewhere, how many of those spades were ordered and what amount of money was invested in them?

Hon. Mr. HUGHES: 25,000 spades were purchased at \$1.35 each.

Mr. CARVELL: That would be about \$33,000 worth that went over with the contingent. I thought it was \$1.65.

Hon. Mr. HUGHES: I think it was \$1.35.

Mr. CARVELL: Where were they manufactured?

Hon. Mr. HUGHES: By the Midvale Steel Company of Pennsylvania. The Bethlehem Steel Company and other companies wanted from \$6.00 to \$7.00 but the Midvale people made them for \$1.35.

Mr. CARVELL: Have any more been purchased since that first lot?

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Hon. Mr. HUGHES: No, there are handles to be attached to them, the spades were sent to Quebec and Valcartier but they were not found until sometime after the troops had sailed so that we could not put the handles on them before the troops went.

Mr. CARVELL: Then they were sent forward?

Hon. Mr. HUGHES: They were sent forward, the spades went to England without the handles, but the handles have followed and have been put on or are being put on.

Mr. CARVELL: Did those spades pay any duty or did they go through in bond?

Hon. Mr. HUGHES: They should have gone through in bond—they should have come in free.

Mr. CARVELL: I presume they did. Have you had any reports from the War Office as to the adaptability of these spades?

Hon. Mr. HUGHES: Not from the War Office, I have from the officer at Salisbury Plain.

Mr. CARVELL: Would you mind telling us what the report was, if it is not confidential?

Hon. Mr. HUGHES: Not at all, the reports speak for themselves. The shovels have been tested both at Valcartier and Salisbury Plain with machine gun and rifle fire; the requirement is that they resist the fire at 200 yards; I have not yet found an instance of one that has been penetrated at 200 yards. I have a report from Colonel Meighen that there was one broken at 50 yards, and one perforation at the same range, 50 yards and several struck repeatedly and uninjured, but assuming that we tested one out of every hundred not one was found to have been injured or its efficiency impaired in the slightest.

Mr. CARVELL: That is a report as to their physical ability to withstand the bullets. Now have you any report as to their adaptability as a useful weapon for the soldier?

Hon. Mr. HUGHES: I do not know from whom I would get any such report, they have had no opportunity to prove their efficiency.

Mr. CARVELL: I suppose you also know that they have not been served out to the troops that have gone to France.

Hon. Mr. HUGHES: On the contrary I do know that the Highland Brigade have them, 600 of them.

Mr. CARVELL: Did they take them to France?

Hon. Mr. HUGHES: Yes, they were taken to the front. The soldiers had tried them—the Highland Brigade insisted on taking them.

Mr. CARVELL: I want to ask if you know that a question was asked and an answer given in the British House of Commons; the question by Mr. McVeigh and the answer by Mr. Tennant on the 11th of March in regard to these shovels?

Hon. Mr. HUGHES: I never heard of it.

Mr. CARVELL: Of course what I have here is not official and therefore I would not like to say it is absolutely correct.

Hon. Mr. HUGHES: I haven't the slightest doubt that questions will be asked there the same as here.

Mr. CARVELL: I want to tell you that my information, which I hold here, is that they have not been served out to the Canadian troops.

Hon. Mr. HUGHES: I have positive information that 600 of them were served out without handles; the Highland Brigade were determined to have them even without handles and they took them without handles and without the attachment for carrying them, but they carried them with something stuck through the holes. There is an appliance now being prepared by means of which they can be carried very easily.

Mr. CARVELL: Did you ever hear that the Canadian troops in France have been served with a service pattern spade?

Hon. Mr. HUGHES: I know it, with the English service pattern, that is what the troops are furnished with, and it is not worth anything. It is not to be compared with the Canadian spade.

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Mr. CARVELL: That is what the troops are armed with.

Hon. Mr. HUGHES: Not armed with, they are burdened with it; it is a little toy.

Mr. CARVELL: That is carried on the person in the same way?

Hon. Mr. HUGHES: Yes, that is carried on the rump.

Mr. CARVELL: Are you also aware that the War Office has claimed that the Canadian troops have no way of carrying the MacAdam spade with them?

Hon. Mr. HUGHES: I admit frankly, that we had no way then. We have now, however.

Mr. CARVELL: And for that reason they are not served to the troops?

Hon. Mr. HUGHES: Not to all the troops, but the Highlanders were determined to carry them without it and without the handles.

Mr. CARVELL: 600 have been taken to France, have they?

Hon. Mr. HUGHES: Yes, they have all been fitted out with handles now, and they have been taken by the Highland Brigade, against all the official wire pulling that could be brought into play against them. The boys insisted on carrying them.

Mr. CARVELL: Do you know of any attempt being made by the patentee to sell these spades to the British Army.

Hon. Mr. HUGHES: I do not know anything about that, but I do know that a great many officers have asked about them.

Mr. CARVELL: Do you know whether the patent has been assigned to any person or not?

Hon. Mr. HUGHES: I know it has not been.

Mr. CARVELL: And it is still in the hands of the original patentee?

Hon. Mr. HUGHES: I have no reason to think anything to the contrary, I think I would know if it had been.

Mr. CARVELL: Do you know whether any royalty was paid by the Department to the patentee?

Hon. Mr. HUGHES: None whatever.

Mr. CARVELL: If there were any royalty it would be included in the price, \$1.35?

Hon. Mr. HUGHES: There was none, I have the assurance from the company themselves, I asked them.

Mr. CARVELL: That would be in the form of a profit?

Hon. Mr. HUGHES: No, the patentee refused point blank to put on anything as far as Canada is concerned, and that made the difference in price. I understand the thing was proposed but it was flatly refused. There is no objection to a profit from the Russian Government or the French Government, but I have heard they have adopted a much similar affair which they carry with them, without handles at all, and which they place in the ground, on a sort of hinge.

Mr. HUGHES (Kings, P.E.I.): Would you mind telling us what was the object of getting a patent if the patentee gets no royalty?

Hon. Mr. HUGHES: The patentee can get it from other countries, from the governments of other countries.

Mr. PROULX: Did Colonel Stoneman ever write to you about his idea?

Hon. Mr. HUGHES: I saw in the papers that he stated he had. I inquired in the Department, but there is nothing in the office about it.

Mr. PROULX: Before it was patented.

Hon. Mr. HUGHES: Neither before nor since; Col. Stoneman dare not claim to have written me before the MacAdam shovel was patented. I observe his claim is that he wrote me in October and it was patented long before that date. I cannot find any trace of his letter in the Department. I heard that he had spoken to Colonel Morrison about it. I spoke to Colonel Morrison at the time that this was going on and he thought it was a splendid institution, but he said nothing about Stoneman. There was no secret about the patenting, everybody knew by whom and how it was brought out. It was known all over the country. I understand that Colonel Stoneman com-

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municated with Mr. Morrison and claimed that it was his idea, but I cannot find any record in the Department. Colonel Stoneman claims that he wrote to me, but if he did, according to his own statement he wrote long after the invention was patented and put before the public.

Mr. PROULX: Why did you not get the article made in Canada?

Hon. Mr. HUGHES: I am very glad the hon. member has asked that question. It is made of chrome nickel steel, and no man in Canada made that sort of material up to that time. Mr. Cantlie of Nova Scotia at considerable expense had since been experimenting trying to make it in Canada. We could not get the armour plated motor trucks in Canada for that reason, but Mr. Cantlie now claims that he has gotten a splendid steel which will stand a bullet at close range for both shovels and armour plate. I have seen a test of it, I saw four plates of his, and they were not quite up to the standard, it was not the same as the others, but two were very good.

Mr. PROULX: In whose name were they shipped into Canada?

Hon. Mr. HUGHES: They would be shipped to the Canadian Government, I should imagine, by order.

Mr. PROULX: They were not invoiced to the patentee?

Hon. Mr. HUGHES: I do not think so at all, the patentee had nothing to do with it. I think it was invoiced to Colonel Price, I am not sure. The point was that these things were coming in, and at that time we were not sure what was contraband and what was not, so we had them all consigned to Colonel Price, or some agent in Quebec.

Mr. CARVELL: Colonel Stoneman said he never thought that the hole should be patented.

Hon. Mr. HUGHES: That is Colonel Stoneman's own business.

Mr. NICKLE: You spoke about 600 of these spades having been issued to the Highland Brigade, was that done under the authority of the British Government?

Hon. Mr. HUGHES: Not by any means; neither the British Government nor the British War Office interfere in that matter, we equip our soldiers and I am going to see that the boys from Canada go to the front in splendid form; understand that. As far as the military command of the soldier is concerned the British Government is supreme. So far as their equipment and all that is concerned they are directly under the control of the Canadian Government still, and I propose seeing that our own Canadian outfit is utilized unless there is something better.

Mr. HUGHES (Kings, P.E.I.): How many of those shovels have been purchased up to date?

Hon. Mr. HUGHES: 25,000.

Mr. CARVELL: Have orders been given for any more?

Hon. Mr. HUGHES: No, as a matter of fact the handles were never put on them until about two weeks ago, and the hanging equipment for fastening them on is not quite ready yet.

Mr. HUGHES (Kings, P.E.I.): As there was no royalty to be obtained by the patentee what particular object was to be served by rushing the patent through the office?

Hon. Mr. HUGHES: I presume the object would be if there were any other Governments desiring to obtain them, and let me say now, in connection with that question, that I have taken out a good many patents myself and I have seen them lie there for a year and have gone again and again myself and had my own patents put through. In this case I had no hesitation in asking to have it expedited, not only on my own account, but on account of others.

Mr. PROULX: Why was it not put in your name?

Hon. Mr. HUGHES: Because it was not mine, I had nothing to do with it.

Mr. PROULX: Did you say that the article was in use in Switzerland last year?

Hon. Mr. HUGHES: No, no, but the idea there occurred to the patentee; there was the evidence of the necessity of it there. Every Government in Europe to-day is using it or something like it.

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Mr. PROULX: So it was not used by the Swiss soldiers there?

Hon. Mr. HUGHES: No, it was not.

Mr. PROULX: What soldiers was it used by?

Hon. Mr. HUGHES: By none there, but it is by the Highland Canadians in France now.

Mr. PROULX: How did the patentee come to see it?

Mr. FOWLER: I do not think you are obliged to reply to that question. He is too dense.

Mr. NICKLE: As I understand it was the lack of the protection afforded by the shovel or something of that sort that impressed itself upon the patentee?

Hon. Mr. HUGHES: That is it. It was the necessity for saving soldiers lives that inspired the idea.

Mr. KYTE: Where are the handles manufactured?

Hon. Mr. HUGHES: In Nova Scotia.

The CHAIRMAN: Are they wooden or iron handles?

Hon. Mr. HUGHES: Iron, I think there is wood in the handle.

Mr. CARVELL: Would not the spike perhaps be part of this—it is the handle on the pivot that is being manufactured in Nova Scotia?

Hon. Mr. HUGHES: Yes.

Mr. CARVELL: Would there be any additional cost to the Department for the handle and the ring?

Hon. Mr. HUGHES: Yes, 15 cents I think for the handle. I am not sure.

Mr. CARVELL: Approximately, and that would be added on to the \$1.35.

Hon. Mr. HUGHES: There is one question I would like to bring up about Major Thomas. When I saw Mr. Thomas in New York I spoke to him about the pay and he suggested that he did not want to take a salary, that he would not take a salary, but that he would take charge of the whole business and if he did not succeed in reducing 25 per cent he would not count it as pay but if he did succeed in reducing it down from the original price by 25 per cent off that this and every other Government was paying off 10 per cent off the catalogue price—that is all we got off—he would be content to assume the undertaking on a commission of 1½ per cent. Having figured it out I thought it would be a pretty good deal and I have had no reason yet to change my mind.

Mr. CARVELL: For how long a time will that commission last?

Hon. Mr. HUGHES: That will last until we have purchased the trucks for this batch and the next batch.

Mr. CARVELL: Can you give us an idea of what would be approximately the number of trucks for the Third Contingent; not only for the first order, but there will be a lot of breakages to replace.

Hon. Mr. HUGHES: The hon. gentleman knows that there are lots of breakages and all that and I think, I am only speaking from memory that the British Government estimates that 200 per cent of the original purchase is required for the maintenance and upkeep.

Mr. CARVELL: According to that statement Major Thomas will get 1½ per cent on all the renewals.

Hon. Mr. HUGHES: I am not sure, but if he does, I think he has already saved twice over what we would be giving him on the renewals, because we broke down the companies on the 25 per cent business and they would not come down on renewals either, but through Major Thomas' instrumentality we have now broken them down; I could not get them down myself.

Mr. CARVELL: I think the evidence shows that his first bill was between \$10,000 and \$11,000?

Hon. Mr. HUGHES: He has to pay out of that for the mounting of the trucks and all that sort of thing.

Major General HUGHES.

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Mr. CARVELL: If you doubled or tripled the order or if you increased it up to 100 per cent, he would still be entitled to get $1\frac{1}{2}$ commission?

Hon. Mr. HUGHES: Unless it were stopped.

Mr. CARVELL: And if he got \$10,000 on the original purchase he would get \$30,000 at the end of the year if the figures carried it out?

Hon. Mr. HUGHES: Yes, he could explain it better in detail; I do not know just how that was, but I think we can point out that for the First Contingent we did as well as any other Government did excepting, possibly the French Government. The first French deal was better, and I think Major Thomas was instrumental in saving the French Government \$3,500,000, in one day on their trucks. That is where I came in. I thought that if he could do that for the French Government he was the man we wanted here and I went back and got him to come to Canada. I think I have the only man that was able to get the start on the biggest set of dealers that ever struck the community.

Mr. M. C. ELLIS, recalled.

The CHAIRMAN: You are sworn, Mr. Ellis.

The WITNESS: I have already appeared before this Committee on two different occasions to give my evidence, which I thought was perfectly clear and satisfactory. Since I left here there has been brought up some other gentlemen, who have given evidence which in a measure, although they do not charge us with it, reflects on the honour of our firm. I cannot make this statement any better than by reading the headlines of a leading newspaper in Toronto, *The Evening Star*. It says: "Two to Three Prices paid for Field Glasses; Government paid \$52 apiece for 400 Binocular Glasses; New York price was \$15 to \$30 only 'Consideration' was the reply when low charges were quoted."

Now, in the first place, when I arrived here this morning, I had the privilege of reading over all the evidence that these gentlemen had given since I left, and I must say that a very vast amount of it is utter rubbish.

Mr. CARVELL: Oh, well, I object to such statement about the sworn evidence of other witnesses.

The CHAIRMAN: I would like to make this inquiry as full as possible.

Mr. CARVELL: I don't think any witness should make speeches.

The CHAIRMAN: This is a public inquiry, and I think the witness should be allowed to make his statement.

The WITNESS: The great portion of the evidence is all upon a mythical order for glasses, which was never given by P. W. Ellis & Co.

By Mr. Carvell:

Q. Follow it down. Did you give—A. Suppose I explain it.

Q. Did you give to T. M. Birkett an order for 400 glasses?—A. We did not, no.

Q. Did you give him an order for any number of glasses?—A. Yes, for 100 glasses. We received a telegram from T. M. Birkett, October 1st, which reads as follows:—

Have assurance for three to four hundred binoculars from \$52 to \$56. Delivery not later than twelfth. Wire answer to-night.

T. M. BIRKETT

Mr. M. C. ELLIS.

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I answered almost immediately on receipt of that telegram, on the same date.

Q. That is October 1st. Where is that agreement?—A. September 24th. We answered immediately:

T. M. Birkett,
Ottawa.

October 1, 1914.

We have at present all binoculars we require.

P. W. Ellis & Co., Ltd.

So there was no order for 400 glasses. There was an order, as I said for 100.

By Hon Mr. Hughes:

Q. What is the date of that 100 order?—A. That order was September 30th, I think. Our Mr. Mason was in Ottawa, and he was in the inspector's office, Colonel Hurdman's, Mr. Birkett was there, and he tells me that—

Mr. CARVELL: I do not think that can be admitted.

The WITNESS: That is hearsay evidence.

Mr. CARVELL: Pardon me, but Mr. Ellis remember you are flatly contradicting the sworn testimony of Mr. Birkett.

The WITNESS: Yes, sir.

Mr. CARVELL: I do not think we would be fair to Mr. Birkett if we allowed anything but the very best evidence to go through.

The WITNESS: Mr. Mason gave Mr. Birkett an order for 100 glasses.

By Mr. Carvell:

Q. Is it in writing?—A. No, sir.

Q. Mr. Ellis, you cannot believe that?—A. My letter will prove it (reads):

"October 13, 1914.

"MESSRS. THOMAS BIRKETT & SON. LTD.,

"Ottawa, Ont.

"GENTLEMEN,—We have not as yet received any invoices of the Binocular Glasses of the order for 100, which you were to have supplied to the Department sometime ago, and which has long ago expired."

He said he had the glasses on hand. (Reads):

"We have a memo. under Keystone, for ten and fourteen (10 and 14) which we think is the name under which you have invoiced these goods to the Department."

We didn't know the Keystone people at all, we gave the order to Thomas Birkett and Son. (Reads):

"—but as yet we have not received invoices for the balance of the 100. Kindly let us have the same.

"Yours respectfully,

"P. W. ELLIS & CO."

The Keystone Supply Co. replied (reads):

"October 14, 1914.

"DEAR SIR,—Your favor of 13th to Messrs. Thos. Birkett & Son Co., Ltd., has been handed to me, and in reply, my invoices for Binoculars have been rendered to the Department under the above heading as you have mentioned."

Mr. M. C. ELLIS.

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He writes it on Keystone Supply Co. paper. (Reads):

"—and on making inquiry of the Department they state that they forwarded you last night two invoices for 50 and 44 respectively.

"Hoping that you will find this in order and that you may favour us with remittance we remain,

"Yours truly,

"KEYSTONE SUPPLY CO.,

"Per T. M. BIRKETT."

Q. That is now from the Keystone Co.?—A. That is now from the Keystone Co., signed by T. M. Birkett. This is our letter in reply (reads):

"October 14, 1914.

"MESSRS. THOS. BIRKETT & SON, LTD.,

"Ottawa, Ont.

"GENTLEMEN,—Your invoices as "Keystone Optical Co." dated Sept. 30th for 24 glasses at \$52 lack any description or maker. As we have to carefully check all our prices, we would ask you to kindly advise us the maker, size and power. We thank you for this information by return.

"Also send us duplicates for those invoices for the 10 and 14 Glasses you have forwarded to the Department. Three of each are required by the Department and one for us.

"Your kind attention in this matter will oblige,

"Yours truly,

"P. W. ELLIS & CO., LTD."

By Mr. Nickle:

Q. How many?—A. 10 and 14.

By Mr. Carvell:

Q. Now, let us see those invoices. What is the date of this letter?—A. I have the invoices here (produces). There is the whole batch right there.

By the Chairman:

Q. Is there anything in your correspondence of a similar nature that would relate to an order for 400 glasses?—A. Absolutely none. But there is an offer here I am going to read. I have read the letter in which we demanded to know the maker, size and power. We demanded that because we wished to know the quality.

By Mr. Carvell:

Q. What is the date of that letter?—A. October 14th.

By Hon. Mr. Hughes:

Q. What was it you demanded?—A. We demanded a proper description of the glasses turned into the Department. They had just mentioned so many glasses, 10 and 14, at \$52. That might mean anything, therefore we demanded a full description. Here is their reply (Reads):

Mr. M. C. ELLIS.

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Messrs. P. W. Ellis & Co.,
Toronto, Ont.

October 15, 1914.

Dear Sirs,—

Your favour of 14th to hand, and in reply, the glasses we supplied the Department were of the following kinds:

B. & L”

which is an abbreviation for Bausch and Lomb. (Reads)·

“Lemaire
Busch
Gorez.”

By Mr. Carvell:

Q. It is not Zeiss that is meant?—A. No. (Reads):

“We are pleased to state that they have all been accepted and passed through the Inspector’s hands for payment of invoices. We herewith enclose you a copy of each invoice which was rendered the Department in triplicate and hoping you will mail us cheque at once in settlement of same, for in order to obtain these goods we have to pay spot cash and we expect you to do the same, for we have been advised by the Department that the money for this purpose has been forwarded to you.

Yours truly,

KEYSTONE SUPPLY CO.,
Per T. M. Birkett.

Q. Now, let us see the invoices?—A. We replied, October 16.

Q. Just a moment, please. Did he profess to send you copies of the same invoices that he had furnished to the Department?—A. Yes, sir, these are the copies.

Q. Are those documents the copies?—A. These are the ones we got from him.

Q. Are these documents which he sent you copies of the invoices he gave to the Department? I would like to have those at this stage. I will go through them hurriedly. The first is:

“September 30, 24 Binoculars at \$52 each, \$1,248, net cash; October 8, 50 Binoculars at \$52 each, \$2,600, net cash; October 13, 44 Binoculars at \$52 each, \$2,288, net cash; October 15, 2 Binoculars at \$52 each, 104, net cash.”

That makes?—A. 120.

Q. That corresponds with the other invoices?—A. That is four invoices altogether.

Q. 120 at \$52. We have two others: one is dated 9th December, 1914, 16 Binoculars at \$48, total \$768, terms net cash. And on the 12th December, 30 Binoculars at \$48, total \$1,440, terms net cash.—A. That makes 46.

Q. These are the invoices now that you received from Mr. Birkett?—A. Under the heading of Keystone Supply Co. Shall I go on reading now? (Reads):

Keystone Supply Co.,
P. O. Box 114,
Ottawa, Ont.

“October 15, 1914.

Gentlemen,—

Will you please send us a duplicate of your invoices rendered Militia Department for 50 and 44 glasses. This completes your contract.

We want makers’ names, power and millimeter size of glasses given.

Yours respectfully,

P. W. ELLIS & CO., Ltd.”

Mr. M. C. ELLIS.

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Q. Just before you go on. You asked Mr. Birkett, as Keystone Supply Co., to exhibit to you his original invoices?—A. We did not.

Q. You took it for granted?—A. He makes the explanation here that is satisfactory to us. He had already written that they were accepted. They were six power with focussing attachment. If these were the glasses he supplied, and they were six power, he could make very little at selling them at \$52. They were exceedingly high grade glasses.

Q. He did not supply them.—A. No. But I have the invoices from the largest makers and the biggest importing concern, Sussfeld & Lorsch, who is agent for the Bausch people and the Lemaire, who do not sell to retailers, but only jobbers.

By Mr. Nickle:

Q. Let us have the correspondence?—A. You seem to want to ask questions. I think I should be permitted to read the correspondence before going further.

By Mr. Carvell:

Q. We are not optical people and we cannot carry these things in our heads; and we want to clear them up as we go along.—A. (Reads):

October 15, 1914

Keystone Supply Co.,

P.O. Box 114,

Ottawa, Ont.

Gentlemen,—Your letter, Oct. 15th, received, in answer to ours of the 14th inst.

Your reply does not convey any information that will assist us in checking your invoices. We have to check each invoice as to value, etc., for the Government, before we recommend payment.

Your invoices for Sept. 30th for 10 and 14 glasses at \$52 have been forwarded to us for an examination as to value, and for our certification, and when we return same with our O.K., then the Government will forward cheque for payment.

We have not yet received your invoices of Oct. 13th for 44, and Oct. 8th for 50; they have to go through regular course before being sent up.

Before we can certify as to correct value you must give us the exact description of each glass, for illustration if you send to the Department 20 glasses, B. & L. say what power and what millimeter size,—

Sample 20, 8 x 25 m/m B & L Prism Binoculars at \$45.

Sample 20, 6 x 21 m/m B & L Prism Binoculars at \$45.

Merely invoicing 20 Binoculars at \$52 conveys to us nothing to base any knowledge of valuation and this we must have before checking and certifying to.

Yours truly,

P. W. Ellis & Co., Limited."

In a letter of October 15, in reply, he gives a description of the glasses, the letter I have already read. Then on October 16 we received the following letter: (Reads)

Mr. M. C. ELLIS.

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"KEYSTONE SUPPLY CO.

OTTAWA, Canada, October 16, 1914.

Messrs. P. W. ELLIS & Co., LTD.,
Toronto, Ont.

DEAR SIR:—

Your favour of 15th to hand this a.m., and in reply, we gave you this information in ours of yesterday. We herewith also inclose invoice for 2 only binoculars delivered yesterday which have been inspected and invoice passed for payment.

As intimated in your favour of yesterday this will complete our present contract, and hoping to have early remittance. We remain,

Yours truly,

(Sgd.) KEYSTONE SUPPLY COMPANY,
Per T. M. Birket."

He reports that the contract is completed and you see they admit that they had only a contract for 100. They wrote us another letter on the 19, as follows (Reads):

"KEYSTONE SUPPLY CO.

P.O. Bo 114.

OTTAWA, CANADA, October 19, 1914.

Messrs P. W. ELLIS & COMPANY, LTD.,
Toronto, Ont.

Dear SIRs,—

Your favour of 15th to hand, and in reply, I regret but I cannot give you any more information than I have, only that the large majority of these glasses were six power and the whole 120 were fitted with the focussing attachment. I hope this will be sufficient for it is positively all the information I have.

Now, since writing you last one of my agents has forwarded me two more glasses which the Inspector says if you will allow me, he will accept.

Kindly let me hear from you by return mail *re* these two glasses and also if there is any way in which you can help me to get payment I will be greatly obliged.

Yours respectfully,

(Sgd.) T. M. BIRKETT."

Mr. CARVELL: Those were pretty good glasses, they cost \$25 a pair.

By Mr. Nickle:

Q. Did you inform Colonel Hurdman, the inspector, of the two classes of glasses that Birkett is alleged to be supplying?—A. I will read you a letter to Colonel Hurdman of October 21. (Reads):

"Lieut. Col. HURDMAN,
Ottawa, Ont.

Dear SIR,—

We wrote the "Keystone Supply Co.," and asked them to give us the particulars of the glasses that they had supplied, as to power, diameter, make, etc., so that we could judge as to the value of the glasses, and they wrote back saying the large majority of the glasses were six power, and the whole were fitted with focussing attachment.

Mr. M. C. ELLIS.

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We would like to know if you consider these glasses good value as compared with those you have been receiving. They omitted to itemize their invoice, and consequently we are unable to form any idea, and would be pleased if you would let us know what you think of them.

Yours respectfully,

P. W. ELLIS & Co., Limited."

Colonel Hurdman did not write a reply, but he phoned us to say that the glasses were perfectly satisfactory.

By Mr. Hughes (Kings', P.E.I.):

Q. Did you hear the Minister of Militia state that Colonel Hurdman had nothing at all to do with the inspection?—A. I do not think he said that.

By Mr. Nickle:

Q. He said he had no specific instructions from the Minister, as such, but if he did it he did it as a detail of his duties.—A. My understanding was absolute, that Colonel Hurdman was the inspector and my first letter in connection with the whole thing was on August 27, when we sent out a telegram and a letter to send all they had in stock to the Militia Inspection Department, 203 Queen Street, Ottawa, and that the Militia Department would pay their account.

By Mr. Hughes (Kings', P.E.I.):

Q. From whom did you get the understanding that Colonel Hurdman was the inspector?—A. I may say that our agent, Mr. Mason, who was here and gave evidence, and saw the Department told me that all the glasses had to go to the Inspection Room of the Department, and everything was shipped there; as far as the price is concerned I will take responsibility on everything that has been shipped to the Department. The first thing after the order was given was that everything had to go to the Inspection Room. I want to say with regard to the description given by Mr. T. M. Birkett of these glasses which he supplied to the Department, he said that he supplied Lemaire's glasses. Now I have an invoice here from the agent of the Lemaire Company, the only agent in America—

By Mr. Nickle:

Q. Can you give us any information what a reasonable price would be for the class of glasses Birkett alleged he supplied?—A. Yes, we have two classes that we import, one at \$44.10 in New York, that is \$68.10 here and one at \$40.80, on which we get a discount of 30 per cent., which discount we gave to the Government. Sussfend Lorsch Company of New York are agents for Busch, and those glasses are invoiced at \$42; they are listed very much higher, but that is a special price to us, adding to that the duty makes the prices of the Bausch glasses \$53.75. The Gorez, we bought three altogether, perhaps \$50; then the Bausch & Lomb, 6-power are worth \$50, and the others \$30. Taking all the glasses together the average price was \$50.98, so that if they delivered those glasses to the Department at \$52 they supplied satisfactory glasses that were satisfactory to us.

Q. I think you said that 6-power Bausch & Lomb would be got for \$50?—A. At that time they might be much cheaper.

Q. At the time when these were invoiced at the latter part of September or the first of October?—A. Not the latter part of September.

Q. What would be a fair price for the 8 x 25 Bausch & Lomb?—A. I have them here invoiced by the Bausch & Lomb agents; invoices from the Consolidated Optical Company of Toronto, who are the agents of the Bausch & Lomb people, and they invoice to me 18 8 x 25 binoculars, \$50.

Mr. M. C. ELLIS.

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Q. What is the date of that invoice?—A. September 14.

Q. And you sold those, that is you O.K'd and sent them on to the Government?
—A. The invoice is to the Militia Department, not to us.

Q. Let us follow that up; you O.K'ed those anyway?—A. Yes, and got credit later on.

Q. How much?—A. \$11 a piece; we O.K'ed them when we got our credit.

Q. After you got your credit?—A. Yes, shall I read the correspondence.

Q. Yes—

By Mr. Carvell:

Q. Here is an invoice for Bausch & Lomb glasses 8 x 25 sold in New York on the 28th September at \$29.40?—A. And put the duty on to that and I lay them down at a less price than that.

Q. You add on the duty and see what it is?—A. Add 25 per cent, that would be \$36.75, and I turned them in to the Department at \$33.

Q. When?—A. I will show you the invoices for them. I had a letter that I wrote to H. W. Brown, Director of Contracts, in reference to that. I have a letter on the subject.

October 7, 1914.

CONSOLIDATED OPTICAL Co.,
60 Richmond street, W.,
City.

GENTLEMEN,—In reply to your letter of October 6, we beg to state that we by letter of September 7, distinctly informed you, that the glasses were not for us, but were for the Department of Militia and Defence, and to send invoices in triplicate to the Militia Department, consequently your instructions were clear and allowed of no misunderstanding.

We had tremendous difficulties in obtaining the number of glasses required in the very short time allowed. We naturally turned to firms like yours first, but you had no stock, nor could you promise any, and when you had any to offer we took the same.

To secure glasses under the great emergency and pressure for time, we took from retailers private parties and wholesalers, asking all to make it their patriotic duty to give lowest prices.

We have repeatedly mentioned to you, the necessity of putting in the lowest possible prices, that a firm of your position and standing would compare favourably with your competitors.

Respecting advance in price of B. & L. glasses, which we are aware of—it took place in October—it has no bearing on the subject, as your deliveries to Department were made before this advance.

The Government, after checking, inspecting and passing invoices, send us with invoices they want, paid a cheque for same. We shall send you as we are sending all other cheques in payment of your invoices as fast as received.

We are certainly scrutinizing any charges made by the Militia Department, and will endeavour to save the Government every cent possible, should you decide to make a rebate send credit note in triplicate to the Department of Militia and Defence, and a copy to ourselves.

Yours respectfully,

P. W. ELLIS & CO., LTD.

They did make a rebate.

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The CHAIRMAN: You would almost think it was the Auditor General that was talking.

The WITNESS: I have more to say on the Keystone business too before I get through.

By the Chairman:

Q. Who was that last letter to?—A. The Consolidated Optical Co. We were endeavoring to fight for the Government to get a reduction of prices. (Witness consults documents.)

Q. What point are you on now?—A. The point is on the rebate we got from them. I gave that in my former evidence.

Q. What was it?—A. Eight hundred odd dollars.

By Mr. Carvell:

Q. I would like to know the number of glasses?—A. I will give it to you (looks among papers). I saw it here a moment ago. One can judge of the amount of correspondence we had in connection with this affair by seeing these files. We wrote to the Director of Contracts when we sent the rebates in, as follows:—

“October 17, 1914.

Mr. H. W. BROWN,

Director of Contracts,

Department of Militia and Defence,

Ottawa, Ontario.

DEAR SIR,—We are today returning to you all invoices for Prism binocular glasses you have sent us to be certified to as correct.

We have delayed the return of these invoices in order that we might make a great effort to secure for the Militia Department a reduction in prices and we are pleased to inform you that we have been quite successful.

We herewith enclose a memo. of the credits obtained, and have attached to each particular invoice the credit bill on amount charged.

You will note a large credit from the Consolidated Optical Co., and we wish to say that these people had intimated to us sometime ago, that there would be a credit and also had done so to the Department of Militia and Defence. We have pleasure in stating that they have to our satisfaction made the proper credits.

In the emergency and pressure placed upon us to secure quickly for the first contingent, we scoured both the Canadian and United States markets, and were compelled to pay in some instances more than we are now paying; we bought from private persons, retailers, wholesalers and makers; succeeding in obtaining the glasses in time at a fairly good average price, especially under the conditions of great urgency.

We desire to have all the balance of invoices you have, so that we may at once check and certify, as many are pushing us hard for payment, and we hope there will be no delay in forwarding payment for invoices we are now returning.

Yours respectfully,

P. W. ELLIS & CO., LIMITED.”

P.S.—Enclosed please find list of credits.

On October 16 they handed us a credit for goods supplied September 14 of \$550.

Mr. M. C. ELLIS.

APPENDIX No. 3

Q. How many glasses were there?—A. There were 50, that is a rebate of \$11 apiece. Consolidated Optical Co., on goods supplied September 21, a credit of \$30. On goods supplied September 18—

Q. Just a moment, how many glasses?—A. I have not the number of glasses but the credits were all on the same basis of about \$11.

Q. It would not be \$11 in that?—A. It does not look like it. I think I can produce that invoice. On invoice dated September 18, the credit was \$33. That works out even.

Q. That would be 3 glasses?—A. Yes. On invoice dated September 21, credit 42.

Q. On how many would that be?—A. Well, I cannot just say without looking at the invoice. To my memory it is as near as possible \$11 apiece, but it would not work out that way, would it? September 22 invoice, credit \$30. Those were all credits which they gave us, and we of course, turned them into the Government.

Q. They amount to about \$675. These were all glasses invoiced to you at \$50 each, were they?—A. Well, I will see if I can search that up. It is a long job; you can get them all on file in the Department.

Q. The difficulty is we cannot make this intelligent unless we have it.—A. Yesterday was the day of our annual meeting, and it was with the greatest of difficulty I could get away, and I collected my file hurriedly.

Mr. CARVELL: We are glad to see you here.

By Mr. Kyte:

Q. Can you say offhand what this rebate would average?—A. Offhand, it should be about \$11 apiece.

Q. How many binoculars does that represent?—A. Over 2,200.

Q. Is it over or a little less?—A. I think it would be a little over.

By Mr. German:

Q. 2,200, did you supply?—A. About.

Q. What was the average price?—A. As near as I can figure out from \$39 to \$40

By Mr. Kyte:

Q. If it is 2,200 you furnished, the average would be from \$45 to \$50?—A. It is over 2,200.

Q. It will require to be a good many over 2,200 to reduce it to \$39 apiece.—A. I won't be absolutely positive about it. We made a rough estimate, and we figured \$39, it may be \$41 or \$42.

By Mr. Carvell:

Q. Have you a copy of all the invoices?—A. I had a copy when I was last here. I had a complete set of all our invoices.

Q. That is what we want to know.—A. All the invoices can be got from the Department. They have been all on file.

By Mr. German:

Q. I understood the total number was 2,175, about that?—A. We got some very cheap glasses at the last, and they allowed us to put in a few extra.

By the Chairman:

Q. You were given orders for 600, 200, 175 and 1,200?—A. That figures 2,175. We got an order for 1,200, we were expected to fill it in about six days.

The CHAIRMAN: That is right, 2,175 altogether.

By Mr. Kyte:

Q. Will you say what that averages?—A. I think I ought to clear that matter up and explain it.

By Mr. German:

Q. Let us finish one thing at a time. I would like to know definitely how many glasses were bought and what was the average price, because I understand the total sales of binoculars amounted to \$91,000.—A. You are figuring wrong, there are other goods we supplied, some telescopes, microscopes and other odds and ends are included in that amount.

The CHAIRMAN: That would make a difference.—A. It makes quite a difference. Unfortunately I had all the figures with me when I was here before; there were some cases, we had to measure up all the glasses we bought.

By Mr. Kyte:

Q. \$41.43?—A. It will be less than that when you take the other goods out of that total. My recollection is that our estimate was pretty close.

By Mr. Carvell:

Q. That will be for all kinds of glasses, as I understand you?—A. Yes.

Q. You gave quite a large order to the Consolidated Optical Company of Toronto around the 15th or 16th of September?—A. We had a large order.

Q. You made rather a large delivery?—A. From the Consolidated Optical Company?

Q. Yes, and there was a credit note for \$550; that is quite a large order?—A. Yes.

Q. They invoiced them to you at \$50?—A. They invoiced them to us at \$50.

Q. And you got a rebate of \$11.—A. Owing to our breaking the price.

Q. That brought it down to \$39?—A. Yes, not as low as Topleys.

Q. On the same day, or the day before, the 15th of September, goods were sold to a man in Ottawa, 25 8 x 25 Bausch & Lomb 21 millimeter.—A. A very much cheaper glass, \$10 cheaper.

Q. For \$37.50?—A. That is enough for it, because the 21 millimeter is only worth \$40 and the 55 is worth \$50.

Q. I find that these goods were furnished by a man named Bell. There were 12 glasses such as I have described?—A. Yes, I have the invoice here.

Q. Furnished to the Government which he bought from the Consolidated Company at \$37.50.—A. Yes.

Q. And he sold to the Department at \$52, as I understand it?—A. Yes, that was all Bilsky, who was asked by me to turn all the glasses he could into the Department. Why was he speculating with all these men?

By Mr. German:

Q. Because he could not sell to you.—A. I have the letter here to show that I gave Bilsky the same chance as everybody else. I would like to have that cleared up. Now here is a copy of a letter to Bilsky, McMillan, Ottawa Optical Company, and T. J. Boyd, which I sent on August 28, 1914. (Reads):

"Dear Sir:

The Minister of Militia, Colonel the Hon. Sam Hughes, has instructed us to procure immediately all the Prism binocular field glasses 6 and 8 power, in cases, readily obtainable.

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We understand that you have two or three of these glasses in stock, which would pass inspection. We would like you to send all you have to the Militia Inspection Department, 203 Queen St., Ottawa, charging them to the Department of Militia and Defence, at your lowest prices, and enclosing three invoices with goods, also send an extra invoice to us. The Militia Department will pay the account in about thirty days.

As the glasses are required for our own troops, patriotism, alone, would suggest you quoting your lowest prices. ..

Thanking you for your kind attention, we remain,

Yours respectfully,

P. W. ELLIS & CO., Ltd."

Now, Bilsky had the same opportunity as every other dealer.

Q. To sell you three glasses?—A. To sell all the glasses he wanted; he only had three.

Q. Do you not say you will buy three? Now will you show me where you ever offered Bilsky the opportunity to sell any other than those three glasses?—A. He got the offer to sell all he could.

Q. Show me where it is?—A. (Reads) "The Minister of Militia, Colonel the Hon. Sam Hughes, has instructed us to procure immediately all the prism binocular field glasses, 6 and 8 power, in cases, readily obtainable. We understand that you have two or three glasses in stock".

Q. That is what you agree to by from him?—A. We would not give anybody the offer to buy glasses that they didn't have in stock; we would not allow any man to speculate in them.

Q. You simply agreed to buy two or three glasses from Bilsky and no more?—A. All he had.

Q. Would that be more than two or three?—A. He said he had only two or three, and besides Mr. Bilsky is a very old customer of mine, and if he had the glasses he should have written to us, and not have gone around to other people. He wrote us later on and we replied that we could not take them simply because our contract had been filled.

By Mr. Nickle:

Q. How had you communications with Mr. Bilsky?—A. Through our Mr. Mason, as I understand.

Mr. CARVELL: There was a wire from Bilsky to the witness and an answer to Bilsky.—A. I had some very interesting correspondence with Mr. Bilsky.

By Mr. Carvell:

Q. We will have it all, there is a condition of affairs in Ottawa which ought to have the light thrown on it.—A. This letter I have just read to you is on August 28th.

By Mr. Nickle:

Q. You agree to take three glasses from Bilsky, all he had in stock?—A. Yes.

Q. You had a contract or option of supply from Birkett for one hundred, and he had none in stock?—A. He stated that he had them all in stock, that is the only reason that we gave it to him.

Q. He represented that to you?—A. Not to me personally, but to our agent.

Q. Have you knowledge of that yourself?—A. I did not see him personally.

Q. That was what was represented to you?—A. That was what was represented to me.

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By Mr. German:

Q. You know that Mr. Birkett is known very well as a hardware merchant?—A. No, I did not know them at all; it was the first time I ever heard of them, and Mr. Mason called around to see if he was a reliable party on the whole, and he was reported as a very good man.

Q. Did it not strike you as rather peculiar that this man would have a hundred of these high class binoculars in stock when the dealers in that same commodity only had two or three or four in stock?—A. Certainly, I tell you I thought it peculiar, and he is the only man I had all this correspondence with on the invoices, to correct them. It certainly did strike me as peculiar.

Q. Did you give him a contract for 400 glasses?—A. No, I never did so. I may explain to you that he had a contract for only one hundred.

Q. You gave him an order and he hadn't any in stock?—A. We did, but on what condition? That he had them all on hand, and we wanted them pretty badly at that time.

By Mr. Carvell:

Q. But you thought, or your agent thought he had them on hand at that time?—A. I think he had, I read the letter.

Q. That was some time after the order was given?—A. Very shortly after.

Q. How long do you think it would be afterwards?—A. I will read you a telegram from Bilsky on the 22nd of September:

"We are informed you require a quantity of Lemaire, Bausch & Lomb binoculars to complete your militia order. If so kindly advise, answer."

Here is our reply:

"Beg to acknowledge receipt of your telegram as follows: "You require quantity of Lemaire, Bausch & Lomb binoculars to complete your order for militia. If so kindly advise answer." We may say that we wrote you on August 28th that we understood you had two or three of these glasses, and that we would like you to send all you had to the Militia Inspection Dept., charging the same to the Dept. of Militia and Defence.

However, might say that we have been almost successful in getting the number of glasses required from different sources throughout the country, but will not know until they are inspected by the Militia Inspection Dept., if they are satisfactory, or if there will be more needed. We expect to know in a day or two and will advise you then."

Q. Mr. Bilsky produced that letter. Now that was on the 22nd September, was it?—A. Yes.

Q. I want you to be sure about that time?—A. Well, it looks like the 22nd.

Q. Now, Mr. Ellis, wasn't it after that you made the contract with Birkett for one hundred?—A. Yes, and after that we got another contract.

Q. Was it not within two or three or four days after that correspondence took place with Bilsky that you gave Birkett a contract for one hundred?—A. I do not know.

Q. I wish you to hunt that up, I want you to find that out?—A. On September 7th I wrote this letter to Bilsky. Now we did not get the order to purchase until September 30th.

Q. That telegram there says September 22nd?—A. It is right here, it is very much obliterated, I think it must have been September 6th. The date of the letter is Sept.—it must have been September 6th.

Q. It was long after that you gave the contract to Birkett?—A. Yes, we got another order.

Q. What order did you have at that time?—A. I will tell you, I have it here.

Witness retired.

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Mr. JOHN FRASER, Auditor General, recalled.

The CHAIRMAN: The Auditor General has been unable to find any accounts in his office from Mrs. Plamondon. He has some papers connected with another drug firm in Quebec. Shall he bring those?

Mr. CARVELL: There was an answer to a question in the House one day this week have you seen it?

The WITNESS: I have no accounts of Mr. Plamondon.

By Mr. Carvell:

Q. Did the amounts correspond?—A. I did not locate the accounts.

Q. This was a matter of \$23,000 or \$24,000 for drugs to Mrs. Plamondon, of Quebec. That is the answer given in the House.

The CHAIRMAN: Will you still want that lady as a witness?

Mr. CARVELL: We will get the papers first.

The CHAIRMAN: She is under subpoena now.

Mr. CARVELL: For next Tuesday?

The WITNESS: \$39,000 is the amount of that account.

Mr. CARVELL: Well, the answer in the House is \$32,000 or \$33,000.

The WITNESS: Perhaps they have not sent me the vouchers from the Militia Department.

Mr. CARVELL: I think you will find that Madamé sold the goods all right. See what you can find about it.

Witness retired.

Examination of Mr. ELLIS resumed.

The WITNESS: The first order was handed in for 600 glasses by the Department, on August 24. I got my next order on September 12, that is five days after I wrote this letter for 200 more. That was the condition of affairs as I wrote; I had finished my contract.

By Mr. Carvell:

Q. You did not write to Mr. Bilsky again?—A. No, because I had broken the prices.

Q. That was before, around in September?—A. Yes, sir, through the Niagara Optical Co.

Q. On the 30th September you made a contract with Birkett at \$52?—A. No, sir, we did not. You cut me off; I want to explain that whole thing.

Q. We find on the 30th September he got a contract at \$52 and delivered the goods?—A. I will make that perfectly clear. The last letter I think I read you was dated October 21, to Lt. Colonel Hurdman. I want to go on with the correspondence.

Q. I thought you were going to explain how it was you bought these glasses from Birkett in September at \$52 when you had bust the combine?—A. We gave but one order, that was long before we bust the combine.

Q. That was the 30th September?—A. Before that we gave him an order.

Q. You have just told me it was 30th September?—A. The glasses he has described were excellent value first class value, the very best. If he delivered the glasses he described to me they were the very best.

By Mr. German:

Q. Some were bought for less than \$20?—A. I say this, that if the Keystone people supplied the glasses they specified to me they could not get the glasses under \$35 or \$45.

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By Mr. Nickle:

Q. That is what I want to clear up. As I understand it, the Keystone Supply Co., or Mr. Birkett, wrote to you that they were supplying to you a certain class of glasses?—A. The highest grade—

Q. Suppose we make it question and answer. Relying on that representation you paid them \$52 for each glass supplied?—A. Yes.

Mr. GERMAN: The Government did. He did not.

By Mr. Nickle:

Q. This is a copy of the original invoices to Birkett of 120 glasses (hands to witness). Will you look over those invoices?—A. I am doing so. There is only two such as he described.

Q. Were those the class of glasses that Birkett represented he was supplying to the Government?—A. They were not, but it is fair to say there is one here that is.

By Mr. German:

Q. Now, just one thing further. You had a duplicate copy of these invoices sent you?—A. These invoices? Absolutely not.

Q. Your instructions to every person were to make out three invoices for the Government?—A. Correct.

Q. And to send a duplicate copy to you?—A. Perfectly correct.

Q. Did they not send duplicate copies to you?—A. They sent one copy to us.

Q. Then you must have seen the invoices of those binoculars which Birkett supplied the Government?—A. These here? These are Milton Harris' the New York invoices.

The CHAIRMAN: I think, Mr. German, if you will let Mr. Nickle pursue his questions it will bring out that point.

Mr. NICKEL: The invoices I handed the witness were Milton Harris' invoices to Birkett, not the copy of the invoices that Birkett supplied the Government.

Mr. GERMAN: Mr. Ellis had to have a duplicate copy of the invoices of all the goods supplied the Government.

By Mr. Nickle:

Q. You have looked over the invoices? How many of the glasses outlined there were of the class that Birkett represented to you he was supplying the Government?—A. There is one here, a LeMaire, which cost him \$40.80.

By Mr. Carvell:

Q. There would be really three, you will find two just above that. Let us do the man what justice we can?—A. Yes. There is a discount off that of 25 per cent and 2 per cent.

By Mr. Nickle:

Q. Do you find any others of high grade?—A. There are four Bausch & Lomb binoculars 8 x 25 m/m at \$29.40. That is all.

By the Chairman:

Q. A total of 7 out of how many?—A. 166.

Mr. NICKLE: No, 120.

By Mr. Nickle:

Q. Were the rest of the glasses superior or inferior grade?—A. They are inferior.

Q. Much inferior?—A. Much inferior.

Q. If you had known that was the class of glasses Birkett was supplying the Government, would you have paid him \$52?—A. Certainly not.

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By Mr. German:

Q. Why did you not know?—A. Didn't I read to you a letter in which I demanded to know? I wrote him a letter; we took every precaution to demand a full description, and it was only on the full description we passed them.

By Mr. Nickle:

Q. Why did you not insist on the Government being supplied with a copy of the invoices as supplied to Birkett?—A. I beg your pardon?

Q. Why did you not get from the Keystone Supply Co. a copy of the invoices to Birkett from his vendors?—A. Birkett had the glasses on hand; we did not know where he got them. He was the only one that could invoice to us.

Q. You were proceeding on the assumption that he had the glasses on hand?—A. We were.

Q. Did he give you a detailed statement of the class of glasses?—A. I demanded the information.

Q. I am asking you the question: Did he supply you with the invoices?—A. He did.

Q. Did the invoices show the class of glass he was supplying?—A. It did not.

Q. Why did you recommend payment?—A. He had told us by letter that the glasses were high grade.

Q. Did you convey to Hurdman any knowledge of the class of glass that Birkett was supplying?—A. I had not seen them. He should know what he was examining.

Q. He was examining a number of glasses, but he did not know what make they were?—A. He should have known at that price what they should be.

Q. Between Colonel Hurdman and yourself was there not some understanding by which he knew the class of glass he was getting, some idea of their cost?—A. I read you our letter to Colonel Hurdman as follows:

"We wrote the Keystone Supply Co., and asked them to give us particulars of the glasses they had supplied, as to power, diameter and make, so we could judge as to the value of the glasses; and they wrote back saying the large majority of the glasses were six power, and the whole were fitted with focussing attachment. We would like to know if you consider these glasses good value as compared with those you have been receiving. They omitted to itemize their invoice, and consequently we are unable to form any idea, and would be pleased if you would let us know what you think of them.

Yours respectfully,

P. W. ELLIS & CO., Ltd."

Now, we could not write stronger than that.

By Mr. Carvell:

Q. Follow that up?—A. I got an answer by phone.

By Mr. Nickle:

Q. Were the class of glasses the same class as mentioned in the invoice to Birkett?—A. I do not quite understand you.

Q. Were the class of glasses that you represented to Hurdman was being supplied the same class of glasses as mentioned in the invoices to Birkett?—A. I did not represent anything.

Q. Read that letter?—A. (Reads):

"We wrote the Keystone Supply Co. and asked them to give us the particulars of the glasses that they had supplied, as to power, diameter, make, etc., so that we could judge as to the value of the glasses, and they wrote back saying the large majority of the glasses were six power."

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Q. Isn't that a representation to Colonel Hurdman of the class that was being supplied?—A. Yes.

Q. Was the representation in your letter to Colonel Hurdman, did it represent the same class of glass as mentioned in the invoices from Harris to Birkett?—A. No, sir.

Q. Did you get a reply from Colonel Hurdman to that letter of yours?—A. Yes, by phone.

Q. What was the reply?—A. He said the glasses turned in had passed inspection and were satisfactory.

Q. And in accordance with your representations in the letters?—A. Yes.

Q. Then if Colonel Hurdman passed glasses similar to those outlined in the invoices they were not up to the quality as outlined in your letter?—A. If he examined them I cannot understand how he could pass them.

Q. He says he did examine them and passed them. Were they worth \$52 a pair?—A. I would not like to say. Give me that again.

Q. Are you prepared to say that the glasses that Birkett supplied were worth to the Government \$52 a pair?—A. Not as described in those invoices.

Q. What would you have paid for them?—A. If we had bought them we would have turned them in at exactly what they cost us.

Q. What were they worth to the Government at that time?—A. There are some at \$20 a pair. It is absolutely ridiculous to turn them in at \$52. If they were paying \$20 or \$25 and charging \$52 they were doing the Government.

Mr. CARVELL: That is what we thought. That is why this investigation is going on.

By Mr. Nickle:

Q. If these glasses were supplied at \$52 a pair you would be of the opinion that the Keystone Co. is grossly overpaid?—A. I would say so. I want to be fair to the Keystone people. We were buying from retailers, and you see it in all my correspondence.

By Mr. German:

Q. The Keystone was not a "people", it was a man?—A. Just a man.

By Mr. Nickle:

Q. Suppose you answer my question?—A. I think it is unfair to our firm. In the letters I have read to you I have made it plain that we were buying from retailers, even private people, wholesalers and manufacturers direct. It took all of these classes to get the quantity of glasses supplied, and we had considerable difficulty in getting them, and it was not until five months nearly after the contract that we completed our contract which will show you the very great difficulty that we had. Now, I will say this that if a retailer turned in a glass which has cost him \$20, and after the appeal I had made, I think we might say fairly that he should have 25 per cent profit. The appeal I made to the retail jeweller's trade of Canada was magnificently responded to, and many have turned in all the discount they received and many of them could have sold at a very much higher price if they had desired to do so because glasses were at almost a prohibitive figure.

Q. If you had been told that the Keystone Supply Company was supplying glasses shown in these invoices, would you have allowed them to be turned in at \$52 per pair?—A. If we had known?

Q. If you had known that the glasses supplied by the Keystone Company were the glasses mentioned in the invoice to Birkett would you have paid them \$52 per pair?—A. I certainly would not.

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By Mr. Carvell:

Q. Here are the original invoices for the 46 glasses?—A. Well, I see these are certainly not the glasses that he said he had delivered, and they are inferior, 22.

Q. And they are not worth the price charged to the Government, \$48?—A. They are not worth that.

By Mr. Nickle:

Q. Would you have passed them at \$48?—A. No, not for an instant would I have done it.

Q. In any case would you have passed them at \$48?—A. No.

By Mr. Carvell:

Q. What is the date of your letter to Colonel Hurdman?—A. In regard to this? October 21.

Q. And the correspondence which you had with Colonel Hurdman is in regard to the passing of these three invoices?—A. I have them here. I want to say in regard to these glasses, we never ordered them. I received a letter on December 9, as follows: (Reads).

"Messrs. P. W. ELLIS & Co.,
Toronto, Ont.

DEAR SIRs,—Enclosed please find invoice for binoculars delivered to the Militia Department on the 7th instant. In remitting kindly have cheque favourable par Ottawa and oblige,

Yours truly,

KEYSTONE SUPPLY CO.,
(Sgd.) Per T. M. BIRKETT."

They had turned these glasses into the Department and I replied again, asking for information, and then under the date of 16th of December they replied as follows: (Reads.)

"Your favour *re* binoculars to hand, and in reply as we have not a memorandum of the make of these goods, they having been sent direct from the Customs to Colonel Hurdman, we phoned him asking if he could give us this information and he said that he had also had a communication from you and had explained it to you over the phone."

I wrote on the 18th of December to the Keystone Supply Company saying: (Reads).

"Your letter 16th December just to hand and we regret to say it is not satisfactory.

You are business men and anything you buy, you want to know all about what you are purchasing, and we are the same. The Customs House require a proper invoice, and it would be no difficulty in your getting a copy of the same. There would also be no difficulty in getting a duplicate from whom you purchased.

We are given to understand from Colonel Hurdman, the inspector, that the glasses are satisfactory both as to price and quality but we must have a proper description of same and you should be most particular and desirous to provide it.

Your invoices are the only exception to all we have passed and as we particularly drew your attention to this omission before there is no excuse for its repetition."

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Q. That is strong enough, what followed that?—A. Colonel Hurdman telephoned and was very angry with Mr. Mason for our inconsistency with regard to the Keystone people, and wanted him to understand that he had passed the glasses and that they were satisfactory.

By the Chairman:

Q. Colonel Hurdman, when in the box, stated that he made a specific individual test of these glasses; he led us to believe that the glasses must have the firm name on them and must be a very good glass?—A. Quite proper.

Q. Applying that principle to the glasses, you think he should not have passed them. Is it possible that the actual test would show that they were better than the name upon them would indicate?—A. It might, but my point is this. If the man turned these cheap glasses in he should take a cheap price.

By Mr. Kyte:

Q. Colonel Hurdman stated that some of these glasses cost \$9?—A. I turned them in at that.

Q. Did he make a test to see that they were just as satisfactory as the expensive glasses in similar work?—A. That is not all; these glasses that I turned in at \$9.25 were the most extraordinary glasses I ever saw.

By Mr. Nickle:

Q. He swore quite positively that he had no information from you as to the class of glass he was to inspect from Birkett, and I think that that one letter as to the Bausch & Lomb glasses should go into the Committee?—A. I will let it remain here, it is in the reporter's hands.

Q. In view of the fact that you hadn't any information from Colonel Hurdman or Birkett as to the kind of glasses that the Keystone people were supplying would it not have been a reasonable precaution to notify Hurdman and stop payment?—A. It would have been better, no doubt.

Q. That would have saved the Government?—A. I do not know it would have saved the Government. I have saved the Government many thousands of dollars, and this is one small thing, when you take the whole amount, this does not amount to anything at all.

By Mr. Carvell:

Q. Mr. Ellis has now read what in my judgment, is a very, very strong business letter directed to the Birkett people, and I think also to Colonel Hurdman regarding these last three invoices. He got back what, in my judgment also, was a very unsatisfactory answer. Will you please tell us what took place from that time until the closing incident, and the paying of the money over to Birkett?—A. These glasses finished my contract, I let it go, I did not want to quarrel with anybody about it.

Q. That is these 46 glasses?—A. I had done everything I could in the matter.

Q. But not getting the information you required you let it go?—A. On Colonel Hurdman's assurance that it was all right, I let it go.

By Mr. Kyte:

Q. And they might be all right too?—A. They might be.

By Mr. Carvell:

Q. You have told us that either you or your agent, Mr. Mason, was informed by Mr. Birkett at the time he received this order for 100 glasses that he had them in stock?—A. Had them in stock.

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Q. And you understood, I believe, that he had them in stock?—A. Yes.

Q. Where are the invoices that he furnished you with? I want to make up the first 120 he furnished you with. On September 30, 1914, he invoiced you with 24; and there is an invoice for 50 on the 8th of October; an invoice for 44 on the 13th of October and an invoice for 2 on the 15th of October?—A. Yes.

Q. Then of course the others were not until December. Did it not occur to you when these invoices were coming in, extending over a period of over a fortnight that it was rather singular that they were coming that way if he had them in stock?—A. You see from the correspondence it occurred to me.

Q. The only thing I have seen in the correspondence was with reference to the quality of the goods and the price?—A. The price and quality.

Q. But I do not see anything about the other feature, I do not remember that there was anything about that.—A. Well, I will read my first letter. (Reads):

“We have not as yet received any invoices of the binocular glasses of the order for 100—

That is on October 13, 1914. He was to have delivered those immediately and we were wondering whether he was carrying out his contract.

—which you were to have supplied to the Department some time ago and which has long ago expired.”

He was to deliver them quite a long time before, and the time had expired.

“We have a memo. under Keystone, for ten and fourteen (10 & 14), which we think is the name under which you have invoiced these goods to the Department, but as yet we have not received invoices for the balance of the 100. Kindly let us have same.”

That was on October 13 and on October 14 the Keystone Company replied. (Reads):

“Your favour of 13th to Messrs. Thomas Birkett & Co., Limited, has been handed to me, and in reply my invoices for binoculars have been rendered to the Department under the above heading as you have mentioned, and on making inquiry of the Department they state that they forwarded you last night two invoices for 50 and 44 respectively.”

Those invoices must have crossed my letter.

“Hoping that you will find this in order, and that you may favour us with remittance. We remain.”

That is dated the 14th. You see I wrote, and my letter crossed the one I have just read.

“Your invoices as ‘Keystone Optical Company’ dated September 30, for 24 glasses at \$52 lack any description or maker. As we have to carefully check all our prices we would ask you to kindly advise us the maker, size and power. We thank you for this information by return.

Also send us duplicate for those invoices for the 10 and 14 glasses you have forwarded to the Department. Three of each are required for the Department and one for us.”

Q. There was an invoice of some kind, I do not think I have a copy of it here, but anyway there were 12 glasses sold to the Department or to you, on this order by a man named Bell?—A. On that order?

Q. There were 12 glasses sold to the Department by a man named Bell.—A. Were Bell's glasses sold direct to us? I have the invoice of Bell's; they were invoiced to us.

Q. Let us see that invoice?—A. And I have Browne's too.

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Q. He has been sick, and we have not been able to get him?—A. There is the Browne and Bell invoices (producing).

Q. Now, we will take the Bell first: 12 pairs Bausch & Lomb binoculars at \$48, \$576. That is the invoices that you had?—A. Yes.

Q. There is nothing in that to show it is Bell's?—A. I can explain that.

Q. This is your invoice?—A. I made a copy of it. We made a copy of it from the invoice sent to the Department. He did not send us a copy. That must be the reason I have made that copy. It is the exact copy, you will find it in the Department.

Q. There is no description in that of the kind of a glass except Bausch & Lomb. It does not say whether it is six or eight power or 21 or 25 m/m?—A. Mr. Bell is one of those men. We were not scrutinizing these little lots. He wanted to sell a hundred, and we certainly would not let him buy them. The same with Mr. Browne. They turned in between them 24 glasses. I do not think the glasses are extravagant. According to the evidence given Mr. Bell was really Bilsky. You cannot expect we knew that. We are surprised that Bilsky did not turn them in.

Q. He could not?—A. I gave him the same opportunity as any man in Canada.

Q. So the invoice which Bell produced from Bilsky is the invoice upon which he bought these glasses from the Consolidated Optical Company?—A. I do not doubt it at all; I think it is correct.

Q. He bought them in Montreal for \$37.50?—A. Yes. Now, mind you—

Q. And he turned them over to you at \$52?—A. For \$52?

Q. \$48?—A. That is a vast deal of difference, that is about \$10 a glass for a retailer that had some glasses on hand. We did not consider in a merchant that was out of the way.

Q. You took no means of investigating any further than that?—A. We thought the men in turning in glasses deserved credit.

By Mr. Kyte:

Q. Have the Consolidated a branch in Ontario?—A. The Consolidated Optical Co.'s head office is in Toronto.

Q. And they have a branch in Montreal? Did you go to them in Toronto to buy glasses?—A. We did. They turned in all the glasses they had from their Montreal stores and their Toronto stores. I went to see them about the glasses they had sold to Bilsky when they had promised to turn them in. They told me that Mr. Bilsky represented to them that there was a presentation to 12 officers, and on that representation they turned them in. I want to show you that I had a line on all the Consolidated Optical Co.'s product.

By Mr. Carvell:

Q. Next, the Browne invoice. Mr. Browne is ill and we have not been able to bring him here. Did you have any original invoice from Mr. Browne?—A. Is that the copy he gave me? I won't say, but I rather think it is the copy from the Department.

Q. It says here: 6 Prismatic binoculars at \$49.75, and 5 six-power Lemaire at \$39.80?—A. I think that is a fair valuation for a small man.

Q. Would you be surprised to learn that those were called "Browne's Special," and not Lemaire's at all?—A. Then the description is incorrect.

Q. Did you take any means or steps to investigate and see exactly what was being supplied?—A. No, he is a small man, and we had no reason to think he is dishonest.

Q. Did you know he is a real estate man?—A. We did not.

Q. That has been stated here?—A. That may be true, I do not know any of these men in Ottawa.

Q. And these cost about \$15, although we have not the actual price yet?—A. If that is so, he should not call them Lemaire six-power.

MR. M. C. ELLIS.

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Q. So far, we have glasses bought from Mr. Browne at some price and invoiced to you as Prismatic binoculars, six power Lemaires, Mr. Browne being a real estate dealer. Then we have a dozen glasses from a Mr. Bell invoiced as Bausch & Lomb and which turned out to be Bausch & Lomb, but they are of an inferior quality?—A. I do not think any Bausch & Lomb glasses could be termed that. It is a 21 m/m. We buy them ourselves.

Q. They were sold at \$48 to you?—A. Sold by Browne to the Department at \$48.

Q. And Bell is a commission merchant of some kind?—A. That is news to me.

Q. Then we have 166 glasses such as we have been describing, and which you have no hesitation in saying are largely inferior?—A. All those outside of those I pointed out.

Q. Sold by a hardware merchant?—A. So it appears.

Q. Did you buy glasses from any other person?—A. None outside of the trade. We bought from Birks, Watts, Wilmot and McMillan. Of course, we are in the trade, and all these men helped us. Birks turned in a lot of glasses. All the dealers in Ottawa responded to our call splendidly.

Q. Would the Department have invoices so that we would know the sources of all the glasses which you supplied to them?—A. The sources? No, sir.

Q. They would not?—A. No, sir. That would be absurd. If I asked Mr. Birks to turn in glasses, I would not expect him to furnish original invoices.

Q. You talk too fast. You jump at conclusions. I do not mean to say the factory where they are manufactured, I mean the source of supply?—A. You mean the men who supplied the glasses. They are all in the Department.

Q. The vendor?—A. All those are invoiced to the Department. Everybody was instructed to send his invoices with the goods direct to the Department, Inspection Room, 203 Queen street.

By Mr. Kyte:

Q. You have been in the jewellery business for a great many years?—A. Since 1877.

Q. Did you deal in binoculars?—A. We have dealt in them. We went out of them. The business was not large enough for us.

Q. How long since you went out of binoculars?—A. It must be about eight years.

Q. So that you are not dealers in binoculars?—A. Not at present.

Q. Do you have travellers out on the road all the time?—A. We have fifteen travellers out.

Q. You know the men in the trade in Ottawa?—A. Very well.

Q. You sell to them all, I suppose?—A. We sell to them all.

Q. Did it not occur to you that this Browne was a new name in the binocular business?—A. It was a new name, I noticed when I got the invoice.

Q. And that Bell was a new name to you?—A. Yes, he was.

Q. You had never known him to be in the business. Did it occur to you to inquire if they were bona fide dealers?—A. It occurred to me. I called Mr. Mason, and he said they had showed him the glasses and according to my instructions, when they had them on hand, they could turn them in. I said: Stop all those people from getting any more.

Q. You knew they were jobbers or speculators?—A. I suspected at once.

Q. When you gave your evidence here before you were asked why you would not buy from Bilsky. You said they were jobbers and speculators?—A. I have a very interesting letter on that very thing from Mr. Bilsky. I will show you the letter.

Witness discharged.

Committee adjourned.

Mr. M. C. ELLIS.

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HOUSE OF COMMONS,

Room 211,

THURSDAY, April 1, 1915.

The Select Standing Committee on Public Accounts met at 11 a.m., Mr. Morphy presiding, in the absence of Mr. Middlebro, Chairman.

The Committee proceeded to the further consideration of "Sessional Paper numbered 122 of the present session of Parliament and all other papers in relation thereto, being copies of correspondence between the Auditor General and the Department of Militia and other departments of the Government, laid upon the table of the House in respect to expenditures under the War Appropriation Act" referred to them by the House.

The CHAIRMAN: General Hughes desires to make a statement upon a couple of matters.

Major General HUGHES: I find Mr. Chairman and Gentlemen that there has been a general opinion that Mr. McQuarrie was in the employ of the Government at the time he sold those Gramm trucks three or four years ago to the Government. At that time Mr. McQuarrie was merely an agent and selling machines and not in the employ of the Government.

Mr. CARVELL: There is no evidence at all that he was then in the employ of the Government.

Major General HUGHES: Another correction I desire to make is in reference to a statement in the papers last night that Colonel Stoneman in his evidence, I do not know whether it is an accurate report, the inventor of this shovel, stated that he had met Colonel Morrison years ago and had given to him the idea of a similar invention which he had received. I desire to say that Colonel Morrison had never mentioned the matter either directly or indirectly to me. In fact Colonel Morrison was not in the department until long after the inventor had taken out the patent.

Hon. Mr. REID: As I understand it the Minister states that Col. Morrison was not in the Department at the time the matter was mentioned to him by Colonel Stoneman.

General HUGHES: The invention was made a year ago last fall.

Hon. Mr. REID: I think Colonel Stoneman said that he wrote Colonel Morrison years before that gentleman was in the Department.

Mr. CARVELL: Of course we can't prevent the newspapers printing their own ideas, but there is not a tittle of evidence to that effect.

General HUGHES: I want to say that Mr. McQuarrie was one of the straightest boys in Canada although he is a Liberal.

Mr. W. J. Ryan, Inspector of the Department of Trade and Commerce, sent in a letter, under date of March 31, in reference to the evidence of Mr. G. C. Hurdman given before this Committee which the Chairman read.

Lt.-Colonel WM. MCBAIN called, sworn and examined.

By Mr. Rhodes:

Q. What is your position in relation to the Department of Militia?—A. I think I would be called a special agent.

LT.-COLONEL MCBAIN.

APPENDIX No. 3

By Mr. Carvell:

Q. Are you a full-fledged or just honorary?—A. Honorary Lt.-Colonel.

By Mr. Rhodes:

Q. Will you state how you came to have this position as special agent?—A. Well, it is back in 1912. I was on a visit to my old home.

Q. Where is that?—A. At Valcartier. I lived there twenty years ago. It was on a Sunday morning I was walking down the village road, and I happened to see Colonel Hughes passing at that time in a motor, and he hailed me. He stopped his motor and said: "Why, what are you doing here?" I said: "I have a perfect right to be here; I was born here." When he discovered that I was born there he said: "I would like to see you." Shortly after he said: "When you are on your way back to Ottawa, come and see me." So I did. He was on the lookout for sometime for a training ground for the soldiers in Quebec. So he asked me about it, and he wanted to know if that land could be acquired. I thought it could. He asked me the price; I gave him an idea of the value of the land throughout the country. He said: Come on down and we will go over it. I went back home, and he had a plan prepared showing the area required. I went down to Valcartier and to have my figures confirmed of the value of the land I visited quite a number of the farmers and asked them for the price of their land in an offhand manner. I got the values, just what I estimated it would cost. So he asked me then to look after it. That is the way I came into it. If you want me to go into the whole details, I will be pleased to.

Mr. CARVELL: Is it the intention to go into the buying of the land at Valcartier?

Mr. RHODES: I want to show how his position in the Department arose. I do not intend to go into that at all. I will submit questions, and if you do not wish to go so deep just interpose an objection.

Mr. CARVELL: I don't want to interpose an objection.

The WITNESS: I only came here for this reason; that last evening at six o'clock I picked up a paper in Toronto in which it stated that I had given certain horses away. I am here to answers those questions; I came here voluntarily.

By Mr. Rhodes:

Q. Perhaps we might proceed with that part.—A. I have not read the evidence that was given.

Mr. CARVELL: If you went into the land question I would have to ask the witness to come back again, because I am not prepared just at present to take it up.

The WITNESS: I will be pleased to return any time.

By Mr. McKenzie:

Q. Before you leave that. Did you say that was your first introduction to General Hughes?—A. Oh no, the introduction as far the land question is concerned. I have known General Hughes for several years in the West. He was rather surprised to see me at Valcartier, because he always looked on me as a Western man. I lived in Winnipeg and Regina for eighteen years.

Q. You have no connection with the General as a military man?—A. No, sir.

Q. You have no military experience?—A. No, sir.

By Mr. Rhodes:

Q. We had a witness here yesterday, a Dominion Police Officer, by the name of G  roux, and I asked for a copy of his evidence but it is not typewritten yet; so I will have to submit my questions as best I can. I think he said about the 14th January he found at Grant Ireland's, seven or eight miles off, one dark bay mare. This farmer admitted it to be a Government mare, and had been given to him by Colonel McBain to be kept until called for?—A. That is quite right. I had very little to do with the horses, with the remounts. The horses were sent down there in large numbers, in too

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great numbers, in fact, for the number of officers that were in charge; and going down through the lines one day I noticed they were breaking away, scattering to the four winds of heaven, not tied properly. So I suggested to General Hughes that we prepare a place for them on the opposite side of the river and build a fence. These were the surplus horses not being used for the time being. And he thought it was a good suggestion, and we did that. That is the only connection I had with the horses. When the troops were moving out there were a large number of horses scattered around in the country. I instructed my brother Arthur, who was associated with me in procuring this land, to go out and get all the horses belonging to the Government he could possibly find throughout the country. The result was that on October 22 he had collected and sent in to Colonel Dodge at Quebec a car containing 16 horses that he had collected through the country. He reported from time to time to me and also to Colonel Duchene and Captain Macdonald, I do not know who Captain Macdonald is, with reference to these horses.

Mr. CARVELL: We want the man who did the work to give us evidence upon that, you cannot give evidence upon it.

The CHAIRMAN: You can say, "In consequence of what I heard" and so on.

By Mr. Rhodes:

Q. Have you letters from your brother here?—A. I have them here.

Mr. CARVELL: Hold on, I do not think these letters are admissible.

A. He is under me, and his reports should come to me, but unfortunately I was away over in England all the winter and have just returned, at the request of General Hughes, arriving about two weeks ago.

The CHAIRMAN: I think the Committee should get anything it can, in any way or shape, that will throw light upon this matter.

A. I am willing to do this: I have my file and all my documents, and I will place everything at the disposal of the Committee, or any member of the Committee, at the present time.

Mr. CARVELL: That is not the point at all.—A. There is a reflection on me.

By Mr. Carvell:

Q. You are coming here to give evidence on something about which, legally, you know nothing at all. The only person who could give any evidence to this Committee would be the man who actually did the things about which testimony is being taken. For instance, if your brother sent 16 horses, he is the only one who could legally tell this Committee where he got them.—A. I have the bill of lading here.

Mr. BOYS: Do you object to Colonel McBain stating what is in the letters which he has?

Mr. CARVELL: I certainly do.

Mr. BOYS: Then if you do why did you proceed to do the same thing you now object to with regard to the Bilsky correspondence?

Mr. CARVELL: I discussed that with Mr. Bilsky for half an hour and that was the only way I was able to get that correspondence in.

Mr. BOYS: Be fair and let these letters be read.

Mr. CARVELL: It is only a matter of principle that I am discussing.

Mr. RHODES: That bill of lading is perfectly competent as evidence.

The WITNESS: That is a copy of the bill of lading.

By Mr. Rhodes:

Q. Have you seen the original?—A. The original is here, signed by the agent.

Q. Read that.—A. (Reads.)

"Colonel DODGE, Quebec.

Canadian Northern Railway Company.

Car 73656, 1 car horses, containing 16."

Colonel MCBAIN.

APPENDIX No. 3

By Mr. Boys:

Q. Was he doing this under instructions from you?—A. Yes.

Q. You were engaged in that particular work?—A. I am responsible for the camp ground.

The CHAIRMAN: There is no question to my mind that this is admissible.

A. I am responsible for everything that happens there from the day they leave until they return, including all these horses.

The CHAIRMAN: I think that had better go in. There might be specific objection but on the general aspect of it I think Mr. Boys takes a point that cannot be overcome. This man is in charge of certain work, he employs certain agents or assistants to assist him and he gets their reports. I think it is practically equal to his own statement. As I say if there is any difficulty arising we can deal with it at the time it occurs.

Mr. CARVELL: If the Chairman rules that way, while it does not alter my view at all, I will not divide the Committee on it, but any lawyer knows that it is not proper.

The CHAIRMAN: It seems to me that the public interest is at stake and that the door should be thrown as wide open as possible in an endeavour to get at the facts. I have endeavoured all through this investigation to make it as far-reaching as possible and I shall pursue that policy to the end. I have made that ruling and, as far as I am concerned, it goes if the Committee will support me. Colonel McBain can go on and if there is any specific objection that goes outside my general ruling I will be glad to hear it.

Mr. MCKENZIE: The rule is that if this man is a statutory officer, appointed under any statute of this Dominion, and that statute refers certain things to be done by that officer, anything done by virtue of that statutory office, any report, would be accepted as evidence, but this man is not a statutory officer. We have another Committee sitting concurrently with this Committee and they have refused to accept the reports of Regimental Boards of Officers.

The CHAIRMAN: That may be so, and you may point to a specific case where my ruling would not apply, but I have ruled that way, and I will ask any gentleman to show me where my ruling is wrong.

Mr. MCKENZIE: I haven't the slightest objection to those letters going in but if it turns out that it is necessary the brother should be here to be cross-examined.

Mr. BOYS: Strictly speaking, the letters may not be evidence, but I think you, Mr. Carvell, should be the last man in this Committee to object to their being read.

By Mr. Rhodes:

Q. You have read this bill of lading showing that 16 horses were shipped back to Valcartier belonging to the Government?—A. Yes.

Q. And you say that your brother was instrumental in having these horses shipped back, and he acted on your instructions?—A. He acted on my instructions.

Q. Will you now take up the first letter that you were going to read?—A. This is a letter from Lieut.-Col. Duchene to me. (Reads):

"Quebec, December 5th, 1914.

"From

Lt.-Col. J. D. Duchene, C.A.V.C.,
P.V.O., 5th Division.

To

Lt.-Col. W. McBain,
Valcartier, P.Q.

Re Stray Horses from Valcartier Camp.

Sir,—I have the honour to request that I may be informed with the following particulars, at your earliest convenience:—Mr. Godias Girard, St.

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Girard de Magella, states that he is in possession of a black mare No. 202 and that you called one day to see the mare, could you inform me which day you called on Mr. Girard.

Mr. Jos. Jobin, St. Augustin, P.Q., stated that he was in possession of 5 horses, and that some soldiers came to claim them, saying they had been sent by you, will you please confirm the statement made by this party, also the date you received the horses.

I have the honour to be, sir,

Your obedient servant,

(Sgd.) JOHN D. DUCHENE, *Lt.-Col.*,

P.V.O., 5th Division, Quebec."

I happened to be away when this letter came and this is the reply, dated December 8:
(Reads)

"Valcartier Camp Grounds,

December 8th, 1914.

From

Capt. A. E. McBain,

Superintendent Valcartier Camp,

To

Lt.-Col. J. D. Duchene, C.A.V.C., P.V.O., 5th Division, Quebec.

Re Stray Horses from Valcartier Camp.

SIR,

I have the honour to acknowledge your letter of the 5th inst., No. 6-1-8, and beg to state that the day I called on Mr. Godias Girard was the 19th October, 1914.

Re your para. referring to Mr. Jobin the position is not as he stated but as follows:—Mr. Jobin himself brought these horses into camp during the time the camp was here and he received the sum of \$10 for his trouble. I cannot give you the date this transaction took place, the horses were, I know handed over to the remount Depot.

There was another horse a bay mare that was in the possession of a man named Lorette, residing at St. Girard. I went out one day but could not find the man but left word at the house, where he resided that he was to bring the horse into camp on the next day. This he did not do. The matter was communicated to Lt.-Col. G. A. Dodge, C.P.A.S.C., who informed me that he would take up the matter immediately. I have heard nothing since but would like very much to know if this man Lorette did return the horse.

On October 22nd I shipped 16 stray horses, which had been collected here, to Lt.-Col. Dodge, but I have heard nothing more on the subject and should very much like to have a receipt for them.

I have the honour to be, etc.,

(Sgd.) N. STAPLETON, Capt.

For Superintendent,
Valcartier Camp."
Colonel MCBAIN.

APPENDIX No. 3

The next letter is dated January 20th, 1915, as follows: (Reads)

Valcartier Camp, P.Q., Jan. 20th, 1915.

From

Capt. A. E. McBain,
Superintendent Valcartier Camp.

To the Adjutant General,
Ottawa, Ont.

SIR,

I have the honour to report the following:—On the 18th inst. I was visited by a Mr. Giroux, a member of the Dominion Police Force, who seemed to be in the possession of a warrant which authorized him to enter the buildings and houses in the area of the Military Camp at Valcartier. His orders seemed to have been to seize certain horses which were Government property, which were held by certain farmers here. The possession of these horses was quite well known by me and I could have called them in at any time if I had been instructed to do so. I had already been in communication with Lt.-Col. J. D. Duchene, P.V.O., 5th Division, with respect to them. I have in my charge two horses belonging to the Hon. Minister of Militia who issued orders to Lt.-Col. McBain that they should be left in my care for the use of the camp, and as I, and my assistant, have a good deal of driving about to do it is absolutely essential that I have horses at my disposal for this purpose. Mr. Giroux was under the impression that he could search any house or building in this camp area and wanted to know what Government stores were here.

As you are aware, sir, I have officially been appointed superintendent here, and Capt. N. Stapleton has been appointed General Caretaker, and Assistant Superintendent, so all Government property is in our charge and we are directly responsible to you for the same.

I respectfully consider that any interference from outside will only result in friction. Capt. Stapleton and myself are both special constables for all lands owned by the Government in Valcartier, and in the neighbourhood, so can exercise the necessary authority when called upon.

The different Military Departments at Ottawa correspond direct with me for any information as to stores and buildings, etc., they may require.

I have the honour to be, sir,
Your obedient servant,

E. A. McBAIN, Capt.
Superintendent, Valcartier Camp."

By Mr. Carvell:

Q. Is that an original letter?—A. A copy of the letter, the originals are all on my file.

By the Chairman:

Q. Where do you live?—A. Toronto. I am going to have them all here. I did not know I was coming. I only discovered at six o'clock that my name was brought up, and I did not have time to get all of my papers together. I have a few, but did not have time to get them all.

By Mr. Kyte:

Q. Did you have these in Toronto with you?—A. Yes, my headquarters are in Toronto.

Colonel McBAIN.

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Q. Would it be easier to have the originals than to make copies? You say that you did not have time to get the originals?—A. Because they were in my file. Most of my papers are in a file I had down here, about ten days ago, when I brought this matter up with the Minister.

By Mr. Rhodes:

Q. You had this matter up with the Minister?—A. Yes. This is my letter to him.

By Mr. Carvell:

Q. What are you reading now?—A. My letter to General Hughes. (Reads)

CHATEAU LAURIER, OTTAWA, March 13, 1915.

Major-General Sam Hughes,
Minister of Militia & Defence,
Ottawa.

My dear General,

Re Horses taken from Valcartier Camp area.

On January 18th of this year, a member of the Dominion Police by the name of H. G  roux holding a Search Warrant, went through certain buildings occupied by farmers who sold their land to the Government and took therefrom certain articles which were claimed as Government property, and in addition thereto collected six horses from parties holding authority from me to keep horses until called upon to return them to the Department of Militia. The horses referred to were left in camp after the troops left in October last. Some of them were unfit for service and in preference to shipping them to Quebec, I thought it wise to give them out to farmers in the vicinity until such time as they were in fit condition to be taken over and placed in the Remount Depot at Quebec. In every instance the Superintendent took a receipt for a horse. The following is the form of receipt used, and are all dated around about Oct. 27th.

"This is to acknowledge the receipt from the Department of Militia and Defence of one horse. It is also understood that this horse is to be handed over at any time in as good condition as it was when received by me."

You will note from this that the farmers are in a rather awkward position, as I hold a receipt for the horses let out and can demand the return at any time, although the horses are now in the possession of the Government. I have no evidence that Mr. Giroux was acting for the Department of Militia & Defence so under the circumstances these horses should be returned to the camp to be delivered back to the people they took them from, so that the Government will get them through the proper channel.

I wish you would take the matter up at once as the report has got abroad that the horses were stolen by the farmers, and you can readily understand that it is having quite an effect in the vicinity where the farmers reside, and they demand that their names must be cleared from all suspicion of taking these horses without authority. As they have the authority from me, I must therefore ask you to arrange to have these horses returned at once.

The attached letters from the Superintendent to the Adjutant General of Jan. 20, 1915, and a letter to Dr. Duch  ne, Dec. 8, 1914, explain themselves.

Kindly advise me as soon as possible the action that you intend taking in this matter.

Yours truly,

W. McBAIN.

Colonel McBAIN.

APPENDIX No. 3

By Mr. Boys:

Q. Did you pay the farmers who looked after these horses anything for their services?—A. No, sir.

Q. You are referring now to a certain number of horses placed with certain farmers for care until they were called upon to return them. Did that cost the Department anything?—A. Not a cent. There were a large number of horses used down there during the camp season which were unfit to be sent abroad. I opposed selling them, and suggested at the time as General Hughes knows, that I could have taken these horses and given them out to farmers, and they would be brought into shape and made as fit to go to the front as these horses are to-day. Now horses are being sold at \$54 that would be worth \$154 if they had been left with the farmers.

By Mr. Martin (Regina):

Q. How many were sold that way?—A. I have no idea. This is the formal receipt (hands to Chairman).

The CHAIRMAN: (After examining receipts for horses) They are all the same apparently in form. There is a different one here (Reads)

Valcartier Camp, 17th Oct., 1914.

This is to acknowledge having in my possession one dark chestnut mare, the property of the Dominion Government, white forehead, with 2 hind feet also white. This mare is on loan to me, and I hereby promise to return same at Quebec at any time requested. I also promise to deliver this mare in as good condition that I have received it.

GRANT IRELAND.

By Mr. Rhodes:

Q. That receipt has to do with the first horse I mentioned to you?—A. I do not know.

Q. It was mentioned by G  roux yesterday. He said he found a dark bay mare at Ireland's.

Mr. RHODES: Put these receipts in evidence.

By Mr. Rhodes:

Q. You say you were at Valcartier when Constable G  roux was there?—A. I was not.

Q. He also mentioned two horses that were left on the property of Capt. Arthur McBain?—A. Yes.

Q. What do you say in respect to those?—A. I think you had better ask the Minister of Militia.

Q. Can he answer better?—A. They are his own horses.

Hon. Mr. HUGHES: They are my private horses which Capt. McBain is keeping personally for their use.

The WITNESS: I did not explain regarding the horses that were left. My instructions to Arthur McBain and Capt. Stapleton were to go out and gather in all the horses that they knew or heard of that were in the country. The result was that they got in eight or ten more that were in pretty bad condition. Instead of sending them to Quebec, they asked me whether it would be wise to give them to some farmers there for a little work and feed, and I thought it would be all right to do that; but I said, in every instance take a receipt that they will be returned when the horse is demanded.

Colonel MCBAIN.

By Mr. German:

Q. You say that when these horses were given to the farmers they were not in a fit condition to be sent to the front?—A. No.

Q. Your receipt says that the horses are to be returned in as good a condition as when the farmers took them. If he was to return them in the same condition they would not be fit to go the front?—A. No, they would not, but they would not be any worse. The other horses sold for \$54, but you can get more for these.

By Mr. Bennett (Simcoe):

Q. Giroux said that he found some horses with some man whose name I have forgotten, and this man said he was in the employ of the Department with his own team, and this team had been drowned, I think, and two of the Government horses were given him to replace them?—A. That was brought before me, and I refused to have absolutely anything to do with it; this matter is out of my hands. I said, you will have to see Colonel Murphy or someone else.

Q. Did you know as a matter of fact, that this farmer's horses had been employed by the Government?—A. Yes, and I knew they were drowned through the fault of one of our officers who had charge of the ferry. The ferry moved out and the horses went in and were drowned.

Q. It was only fair play that the man should get a return?—A. He came near being drowned himself.

By Mr. Blain:

Q. Have you any knowledge if any of these horses left with the farmers were taken back?—A. We have not seen them; we do not know where they are. The farmers are in the position now that I can go back and demand them, although they have not got them.

Q. Did some of the horses left belong to Militia officers?—A. They belonged to General Hughes. There were two other horses. One belonged to a Captain from Calgary. It was a blooded mare he valued very highly. We agreed to take care of it until spring.

By Mr. Carvell:

Q. Did officers bring their own individual property there?—A. Quite a number of them. I think you will find a large number of the Strathcona Horse brought their own; several came from Calgary with their own horses. Some were sold and some were returned to their places.

By Mr. Rhodes:

Q. Giroux referred to another case, left with Mr. McBain, five years old. He said McBain made the statement that the horse was there because one of their own had been kicked and this was to replace it?—A. This horse was in the employ of the Government at the time, under Colonel Lowe, and his horse was kicked by one of the remounts which were fastened there, and put out of business, and he made arrangements, I do not know through whom, to get one of the remount horses for the time being. He came to me and I told him that is a mistake, you should have returned it before, you give him a receipt that you will return it when called upon to do so, which he did. These horses were Government property, and we could have put our hand on any one of them at any time. But this man went down with a general Search Warrant, accusing people of every kind of theft, although it was told him by my brother that we knew where these horses were.

Colonel McBAIN.

APPENDIX No. 3

By Hon. Mr. Hughes:

Q. Do you know who sent Géroux down?—A. I have no idea.

Q. It was my Department, to look after thefts of blankets and things of that kind.

By Mr. McKenzie:

Q. Colonel, you seem to know something about these horses in a general way; could you tell the Committee who took a record and description of the horses as they were delivered at Valcartier Camp?—A. I could not tell you that; that is to say I knew two men who were doing it; but I do not know who was in authority.

By Hon. Mr. Hughes:

Q. Was it your Department?—A. No.

By Mr. McKenzie:

Q. Who were the two men?—A. I think Major Spittal was really the man in charge, and Colonel Neil had something to do with it; Colonel Hendrie also.

Q. There were a lot of horses came from Nova Scotia; they would be sent to the camp?—A. Yes.

Q. I would expect that a record would be taken of them when they got there?—A. I would judge so.

Q. And they would be passed by somebody. You cannot say exactly whose business it was to do that?—A. No.

Q.—But you think it was some two men?

The CHAIRMAN: Colonel Neil?

The WITNESS: Colonel Neil and Major Spittal. They are both at the front, and Colonel Hendrie was the only other man that I came in contact with.

By Mr. German:

Q. The Lieutenant Governor?—A. No, his brother.

Q. What is his first name?—A. I could not tell you.

Hon. Mr. HUGHES: He is the late Colonel of the 48th Highlanders, Toronto.

By Mr. Rhodes:

Q. Was a receipt taken in the case of all those horses that were in the custody of private individuals.—A. In every instance. Two of them in some way mislaid their receipts, but we have evidence they were given and taken at the time.

Q. In every case receipts were taken for their safe return?—A. For their safe return.

Q. And you exercised the utmost vigilance to see that the horses were properly placed?—A. The evidence is here. While it is not in my department—I had enough to do without it—I instructed them to go out and gather them in, and we succeeded in getting 22 horses.

By Hon. Mr. Hughes:

Q. Who was assisting Géroux to round up the horses?—A. I understand Sergeant Major Hineson.

Q. Who is he?—A. I understand that he is arrested, I do not know, but I heard he had something to do with this Montreal affair. The searching that was done is a reflection on the farmers; and I tell you it is unwise; it is not right.

By Mr. Bennett (Simcoe):

Q. There were a couple of chauffeurs here the other day, named Parent, and they saw four or five carcasses of horses from Valcartier—

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The CHAIRMAN: They saw two dead and three shot.

The WITNESS: That was just possible for this reason. I have seen two, I think. But if you have had any experience with horses you will know that if 6,000 are put together, tied up to posts, many will be injured and have broken legs.

By the Chairman:

Q. Do you think they would be within the mark in stating that they saw four or five dead?—A. Yes, I have myself seen horses there kicked and badly injured. We had to move them over to this corral across the river.

By Mr. McKenzie:

Q. Do you think there is a record of every horse that entered that camp?—A. I could not tell you that, I do not know. That was not my department.

Q. You had a sort of general supervision?—A. I was assisting with every department, as far as I could.

Q. As a man of affairs you would expect there was a record?—A. I should think so; I know if I were at the head of a department I would have it.

Q. A record of every horse?—A. Yes, and where they came from.

Q. And then you have a record, or there is a record, of all the horses that went across to the other side?

Q. Then with the record of all the horses that went in, and all the horses that went across, you could check up, so to speak, where the balance of the horses were?—A. I could.

Q. Have you done that?—A. That is not my department, I have nothing to do with it, I am only assisting in this work.

Q. Can you give the Committee some idea where we could go for these records?—A. I would not be able to say; I would be very pleased to do so if I could help you in any way.

By the Chairman:

Q. Would not Colonel Neil have the records?—A. Major Spittal, is to my mind, the man who is keeping check on the horses.

Hon. Mr. RED: The whole thing is now at the front.

Mr. GERMAN: But surely the records would be sent back to the Department?

Hon. Mr. RED: I do not see any reason for asking Colonel McBain all these things when he says he doesn't know anything about them.

By Mr. McKenzie:

Q. This gentleman says he doesn't know how many he lost; I was trying to find out when he would be through looking after the horses?—A. I am looking after this matter, just the other day I believe we got another one.

By the Chairman:

Q. Does your brother live at Valcartier?—A. He is doing a lot of this work, he was in charge of the camp, getting the camp ready in the spring, but he is under my direction.

By Mr. Martin (Regina):

Q. How many receipts of the kind you have produced here did you get for horses that were given out to farmers?—A. I think there were about eight. We haven't them all here, we are looking them up. Of course my brother was not as careful of them as I was, he kept some of them in his pocket and they got, as you will see, badly crumpled up and we had to paste some of them together.

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Q. Were there as many as a hundred horses got out that way?—A. We found them all over the country. I sent him back as far as 25 or 30 miles. The horses stampeded before we got them into the corral, they broke away, and got away back over the mountains.

Q. Those 22 horses you speak of as having stampeded are in addition to those which you have receipts for?—A. Yes, they are in addition to that.

Q. So that it is 22 plus 8 horses that have been recovered?—A. Yes.

Q. And you spoke at the beginning of your evidence about a lot of horses having escaped at one time?—A. Yes.

Q. Have you any idea how many horses did escape?—No, I haven't any idea.

By Mr. Hughes (King's, P.E.I.):

Q. It was not in your department?—A. It was only on a suggestion of mine, General Hughes approved of it, that we did get a large place in which to keep them.

By the Chairman:

Q. Were they fenced in before they stampeded?—A. Yes, they were fenced in. They did not know how to look after them, and I said to one of the men, "If you will put a man on horseback and let him ride up and down there will be no stampede", and there was no stampede afterwards.

By Mr. McKenzie:

Q. I heard you giving the number of a certain horse?—A. Some of the horses are not numbered, some are. I understand a man lost a horse down there that he claims as his own, and the Department says it is not, and we can't tell. They should have been numbered, but quite a number came down there without a number.

Q. The fact of a number suggests that there is a record somewhere of that horse, and its name is entered?—A. Yes, it should. They are numbered on the left fore foot.

By Mr. Carvell:

Q. Give me the names of the eight men?—A. I could not just give them off-hand. I have not all my records here. I have a portion of the receipts here, four or five receipts.

Q. Was it some person on Lorette Island?—A. There is some there I did not know very much about.

Q. Do you know a man by the name of Joseph Bigouatte?—A. No.

Q. The evidence was that he got it in a poor condition from a Lieut. Gerome; do you know who that is?—A. No, sir. Would this be it?—This is a letter addressed to Capt. McBain from Col. Duchene in connection with Alphonse Lirette of St. Girard, who has in his possession a Government horse, giving the description.

Q. No, it is not that, it is Bigouatte, at a place called Lorette?—A. No.

Q. Then take Auguste Pacquet?—A. Yes, we have got a receipt for that.

Q. There is some Gaudias Girard; what do you find in regard to that?—A. We have nothing of that; we reported it to the Department. I had better read this letter to Dr. Duchene:

I beg to inform you that there is a man at St. Girard by the name of Alphonse Lirette who has in his possession a Government horse, a description of which is as follows:—

Large bay, white face, Government marks on hoof and hip, weight about 1,200 lbs., and valued about \$250.

This horse was formerly in the possession of Napoleon Girard.

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Q. That is not this case?—A. I will get down to it further on:—

who kept it for three weeks until it was stolen by Lirette. The latter refuses to hand same over. I wish therefore that you would take immediate steps to have Lirette arrested and recover this horse at once.

There is also at St. Girard a black broncho at present being held by Gaudias Girard. This man is willing at any time to hand the horse over to the Government, but it refuses to be either led or driven. Kindly send someone after it. Your prompt attention to these matters will oblige.

Q. There is a Dave Berryman?—A. I think you must be mistaken in the name.

By Mr. Kyte:

Q. Berryman is the name that was given yesterday?—A. There is no man in the camp area by that name. It is an English settled district; I know everyone of them.

Q. He said he had bought the horse from Bigouette for \$90?—A. It is just possible.

By Mr. Carvell:

Q. David Berryman lived in Quebec?—A. I have nothing to do with that.

Q. That is a horse you have not recovered?—A. No; we have reported in every instance from time to time like this, where we found out there was a horse we reported.

Q. Up to date, including horses that the detective found and those you shipped back, you found thirty?—A. I think about thirty-four.

Q. You said 16 you sent by train?—A. I made a mistake in addition; it was 24.

Q. 24 altogether?—A. About 24 instead of 34.

Q. Then you found 24 horses?—A. About 24 horses, yes.

By Mr. Kyte:

Q. And you have some idea that there may be others yet that have not been recovered?—A. I think you would find them some distance back; they wandered through the mountains, and there are valleys that runs miles and miles back, and it is very hard to get in touch with them all, but we are doing the best we can, and every time my brother hears of a horse that is in question, he goes out to investigate.

By the Chairman:

Q. I thought you spoke of some shipment of 22?—A. It was 16, on the 22nd October, shipped to Col. Dodge at Quebec.

By Mr. Carvell:

Q. What position are you occupying now in reference to the Militia?—A. I am not occupying any position now.

Q. Are you not under pay?—A. I never drew one dollar from the day I reached Valcartier. I have given my services absolutely free.

Q. How long were you engaged there?—A. From the 1st day of August or the last day of July till the boys left in October, and about a week or so later. I went over to England and did what I could to help them over there.

Q. And paid your own way?—A. I did. All I got was my passage over. I paid my expenses over on the other side for four and a half months and back here, and I paid my way back.

Q. What are you doing now?—A. I am trying to get Valcartier straightened out by cleaning up the titles.

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Q. And you are doing that entirely gratuitously?—A. No; at least when I was first instructed to buy I received the usual commission there on the camp area, but that has nothing to do with the camp.

Q. That is, you were acting in a dual capacity; you were purchasing land and also rendering whatever assistance you could in the camp?—A. On purchasing land I did very little after the 1st August; the purchasing of the land was prior to that.

Q. You were doing something, any way?—A. Oh, yes, working as much as I could; I worked as hard as I could.

Q. There was a dual capacity; you were acting in a dual capacity to some extent; you were either purchasing or trying to get the titles straightened out?—A. Not subsequent to the establishment of the camp, because my time was taken up with the camp. I think I worked harder for the camp at Valcartier than I ever did for myself.

Q. What I understand from you is that you worked for the establishment of the camp, and during the establishment of the camp you received nothing for it?—A. Received nothing for it, that is right.

Q. But that prior to the establishment of the camp you did something towards purchasing the land?—A. Yes.

Q. For which you received a commission?—A. Yes, it started in 1912.

By Hon. Mr. Hughes:

Q. How did you happen to do that in 1912?—A. I explained it before you came in. I told how I came to meet you, and how you engaged me, and my work at Valcartier camp after the 1st of August. You know how it was; we were thrown in there, and the crops had to be taken care of, and I had to make settlements with the farmers, I mean for damages, and so on, and I did that, and that took up a lot of my time. I have always said right from the first till the last that my file of documents and everything will be open to any Committee like this, and in general I will go any distance to help.

Q. You are a man of considerable means?—A. I am considered so. I do not have to worry very much.

Q. Do you know a man named A. Robertson, K.C., of 61 Peter Street, Quebec?—A. I do. I happened to have some correspondence with him and he interviewed me.

Q. Did he give you any assistance?—A. Robertson put everything in my way to prevent me.

Q. What did he say?—A. He said he had sufficient influence at Ottawa—

Mr. KYTE: Surely that is not evidence.

The CHAIRMAN: No, that is a little near the ragged edge.

Hon. Mr. HUGHES: I want to show—

The CHAIRMAN: That is going into the land question, and we are not supposed to go into that.

Mr. McKENZIE: Mr. Chairman, I must appeal to you. Mr. Robertson is a professional man, he is not here, and what he said to this gentleman is not evidence; why should his name be blazoned before this Committee for nothing?

The CHAIRMAN: I think you are right, Mr. McKenzie; we have gone pretty wide afield, and if we go too far there will be no end to it.

Hon. Mr. HUGHES: This question was brought up in the House of Commons the other day by the Leader of the Opposition, and a letter had been written—I knew at the time the statements were not true, but I had not the data, the proof of it. I am in a position to-day to prove that the letter that was drawn up by Mr. Robertson and signed by a lady, Mrs. Richard Smith, which the Leader of the Opposition read in the House, is not true. I would like to prove that.

Debate followed.

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The CHAIRMAN: It is understood to-day that that is not to be gone into, and I rule it out. The understanding was that we were not going into the land question to-day.

Hon. Mr. HUGHES: I am anxious that Colonel McBain should be asked every question that it is possible to be asked.

Mr. CARVELL: That is understood.

Mr. MCKENZIE: If evidence of the conduct of this man Robertson is to be given I ask that he be notified.

Hon. Mr. HUGHES: His name was brought up here in the House.

The WITNESS: I do not think it is any reflection on Mr. Robertson.

By Mr. Kyte:

Q. Where does he live?—A. He is a lawyer in Quebec; he is acting for somebody.

Mr. KYTE: If he is to be here and open up this whole land question, you have to take that into consideration.

Mr. BAIN: I would suggest that General Hughes make his statement in respect to Robertson and then if Robertson is required here I think he should be brought here.

Hon. Mr. HUGHES: Robertson is coming. I want the whole land question opened next week, most assuredly, and I will warm some of their jackets, I give warning of that.

Mr. MCKENZIE: Before we leave this subject of the horses, and while the General is here, I think we should if possible get the record of the horses that were delivered to the Government at Valcartier, giving if possible the names of the parties who delivered them, and what became of them after they were delivered there. We have been trying to get somebody who was responsible, but so far we have not been able; but the head of the Department himself was here, and I would, through you, Mr. Chairman, make the request to him to produce those records if they are in the Department.

The CHAIRMAN: General Hughes is here, and I have no doubt he will take notice of that request.

Hon. Mr. HUGHES: The records of the horses, the same as the records of the men, were taken over by the officers, and Col. Henry, our remount officer, went to England; Col. Lee, the principal veterinary officer went to England and was immediately taken possession of by the French and British Governments and sent over to the front. Those two are the gentlemen who really had charge of the horses and they have the records; and I believe the Quartermaster-General has not yet received them. We received back the records of the men only about six weeks ago; they had to take them over there and fix them all up in the rush, and personally I have never seen the records of the horses, but I will see the Quartermaster-General and find if he has received them back.

Mr. CARVELL: General, while you are doing it, please bear this in mind: we know, from your records that you produced, of 7,400 or thereabouts—I am speaking off-hand—and there were some 400 or 500 more furnished from the permanent force. We have records from your Department that a certain number went on board the transports, and we have records from your Department that 460 odd were sold, and Col. McBain has accounted for 24 more. That gets it down to somewhere about 375 unaccounted for. What I would like to know is—we do not have to go to Col. Neil or any Colonel on the other side—there were a certain number of horses in Canada belonging to the Department. A certain number are accounted for, and I would like you to account for the balance.

Hon. Mr. HUGHES: With pleasure.

Mr. CARVELL: That is what we want; when may we expect them?

Hon. Mr. HUGHES: When we get the returns from those officers.

Mr. CARVELL: Is that not trifling with Parliament?

Hon. Mr. HUGHES: I don't know that it is trifling with Parliament.

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Mr. RHODES: Why do you make that suggestion, Mr. Carvell?

Mr. CARVELL: It looks pretty nearly that way to me.

Mr. MCKENZIE: I would expect, Mr. Chairman, that when those officers went across and took the horses with them—that is, what horses did go across—that there would be somebody in charge of and accountable for the horses that were left behind. Surely there is somebody who can tell us what became of the horses that were left behind at the time the expedition went across.

The CHAIRMAN: You are addressing me as Chairman; what do you want me to tell you?

Mr. MCKENZIE: I am talking through you to the General, because I want to be strictly within my rights, and I have no business to talk to him.

Hon. Mr. HUGHES: I have not heard of the question before; I did not know anything of this kind.

Mr. MCKENZIE: That is another way of getting it, as Mr. Carvell says.

Hon. Mr. HUGHES: I want my good friend to understand that there is no question that he can ask we are not ready to answer as soon as we can get the data.

Mr. MCKENZIE: I am not suggesting that there is, but the system of book-keeping and general supervision does not appear to be any good.

Hon. Mr. HUGHES: I think so. There has been talk about the Auditor General holding back some accounts. The Auditor General made an agreement with my officers, when these matters were explained to him, that these accounts could not be settled until we got returns from the Old Country, and they expressed their entire appreciation of it. The Auditor General's officers agreed that certain arrangements should be made about copies of the Order in Council. There has been a good deal of fuss and newspaper talk about things, but not one line was ever received by the Militia Department about horses or anything else concerning these accounts except what had been agreed on.

Mr. CARVELL: You are aware that this has all been explained here. The Auditor General sent those reports to the Finance Minister, the only person to whom he could send them.

The CHAIRMAN: This looks more like talking to the press than to this committee. I get tired of that sort of thing.

Mr. CARVELL: I want to impress on the General the necessity of furnishing everything.

Hon. Mr. HUGHES: The Auditor General's officers agreed with my officers, both the Paymaster General and the Deputy Minister, that everything was absolutely satisfactory as to those returns, and yet the letters were written subsequently to that, that they were not satisfactory. I just want that pointed out—that our department has done everything that was asked of us as rapidly as we possibly could, and we are to-day prepared to do everything as rapidly as we possible can.

Mr. CARVELL: It seems to take a long time to get a little information from England over to Canada.

Hon. Mr. HUGHES: I want to know what Colonel McBain is going to be asked next day, so that he can get his data here. So far as I am concerned, I want the whole question of that land gone into, and I want Mr. Robertson summoned here from Quebec—the gentleman who has been meddling and raising prices.

Mr. KYTE: Would it not be well to wait until Mr. Robertson comes, and prove that on oath?

Hon. Mr. REID: General Hughes has suggested here bringing up something about this land question. As far as that is concerned I do not object to it at all, only for one thing—that we only have the expenditure as mentioned in this Blue Book, and I think we should limit ourselves to that unless there is some other thing that is important.

Mr. KYTE: It covers the land expenditure at Valcartier.

Hon. Mr. REID: This other is not referred to in that.

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Mr. KYTE: Except as part of the expenditure of two million dollars on Valcartier camp.

Hon. Mr. REID: If it comes in under that.

Mr. CARVELL: We have been assuming all the time that it did.

Mr. REID: If it does, all right. I understood what was in that book was for the expenditure in connection with the camp after the land had been purchased.

Mr. KYTE: When was the land purchased?

Hon. Mr. REID: Some of it was purchased two years ago.

Mr. KYTE: That appears in the Auditor General's Report. That would give us jurisdiction to deal with it if any of the payments appear in the Auditor General's Report.

Mr. CARVELL: We have everything from the 1st day of April, 1913, to the 1st day of April, 1914, before this Committee; and in addition to that we have what has been referred to us by Sessional Paper No. 122 and subsequent papers since the 31st day of March, 1914.

Hon. Mr. REID: Of course we want to go right into anything that is in the Auditor General's Report. If there is anything else special, even if this land is not there, we could get it referred, but I think we should keep within that limit in the meantime.

Mr. KYTE: I think so, too.

Hon. Mr. REID: Then when we get through that, if Gen. Hughes wants anything brought up we can go into that. I think we had better let this Robertson stand until next week unless we can find it in the Auditor General's Report.

Mr. KYTE: I think that is right.

Mr. McKENZIE: Could the General give us any idea of what he wants brought up about this land? It is useful for a lawyer to know what the case is going to be.

Hon. Mr. HUGHES: I want the whole truth about the land, the purchase of it; how it was secured, and how we were held up in settlements, and all that kind of thing.

Mr. KYTE: As to prices?

Hon. Mr. HUGHES: Yes.

Mr. CARVELL: Before the General leaves I would like to call his attention to the fact that different Members of Parliament have asked for returns, and the orders have been made; on February 13th there was transport—here are 20 odd different returns that were ordered—and it is pretty hard for us to form any opinion as to what we can do without those returns.

Hon. Mr. HUGHES: What are they about.

Mr. CARVELL: Ankle boots, great coats, bicycles, suits of underwear, cotton shirts, pantaloons, service shirts, and all those.

Mr. BLAIN: Are those returns asked for in the House?

Mr. CARVELL: Yes, and they have not been brought down. I was intimating to the Minister that if they were brought down we would know what to do. All those things are under the war appropriation. I think the land would probably be in the Auditor General's Report.

The WITNESS: I can bring you some information on the land. The first payment on the land was subsequent to the 1st of April, 1914.

Mr. CARVELL: Then it would not be in the Auditor General's Report?

The WITNESS: No, I don't think so. I was leaving for the Old Country at the time, and I advanced money myself to protect the options, and I know it was after the 1st of April that the property was transferred to the Government.

Mr. BLAIN: As I understand it, the Committee would have a right, as Mr. Carvell points out, to investigate anything that is mentioned in the Auditor General's Report. As I understood, the Government waived the general policy of the House and Committee, and said to the Committee, "All those items in the Blue Book shall be investig-

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ated," and they are now before the Committee. What I would suggest is, if there is any other special item that Mr. Carvell or anybody else would like investigated, I am sure the country would be prepared to do that, and it might be a good idea just to mention that now, and such witnesses as are required, and such papers as are wanted might be brought down.

Mr. CARVELL: If my honourable friend will get us the information, we will very soon tell him what we want to investigate.

Hon. Mr. REID: I should think that what Mr. Carvell is asking for should all come within the two million dollars expenditure for Valcartier.

Mr. CARVELL: What do you say about the land? You see, the trouble is, my good friend from Peel and my friend from Amherst are here every day, and want these things to be investigated, but the Minister of Customs rather raises objections.

Hon. Mr. REID: No, I am not raising any objection at all to the land if it is included in the Blue Book; and we can find out whether it is or not. We do not object to it, but I think Mr. Carvell will agree that in the meantime we should stick to that, and if there is any reason why we should go into the land question we can settle that afterwards.

Mr. CARVELL: Dr. Reid, I think, you are perfectly straight about it; it is the other gentlemen who I think are rather playing to the galleries a little. Dr. Reid I think is perfectly logical and straight.

Mr. BLAIN: Mr. Carvell, is directing his remarks towards me.

Mr. CARVELL: Slightly.

Mr. BLAIN: I understood Mr. Carvell the other day to congratulate the Government and the Chairman in throwing everything open and giving every possible assistance towards the investigation of these matters. Mr. Carvell told me that himself.

Mr. CARVELL: I don't know that I found any fault.

Mr. BLAIN: I am not in the habit of playing to the galleries or to the newspapers. All I have to say is that as far as I am concerned, as I understand the Government's attitude, it is that everything is wide open to everything that these gentlemen want to investigate, and we want that the investigation shall be gone on with and everything investigated fully.

The CHAIRMAN: Everything that comes within Sessional Paper No. 122 and subsequent correspondence is wide open.

Hon. Mr. REID: Yes, there is no doubt about that.

Mr. MCKENZIE: (To witness): We understood you to say you were bringing these options and all the records of those sales?

The WITNESS: If you want them. I will bring my entire file.

John Fraser, Auditor General, recalled.

By Mr. Carvell:

Q. You bring some accounts, vouchers and correspondence regarding the purchase of jams for Valcartier Camp?—A. I have the accounts. Cheques for the payment of them have not been received yet in the office. The correspondence is here.

Q. And would you have amongst these papers the tenders, if any were submitted?—A. No, I did not get that from the Militia Department yet.

Q. It has not come to you yet?—A. No.

Q. Here seems to be a letter dated March 12, 1915, which you directed to the Deputy Minister of Militia and Defence?—A. Yes.

AUDITOR GENERAL'S OFFICE, CANADA.

Ottawa, March 12, 1915.

Sir,—I beg to call your attention to the following payments made by the paymaster at Valcartier for jams supplied to the camp during August and September, 1914:

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Cheque 1336, A. F. MacLaren & Son, Toronto.....	\$2,072.75
" 1375, T. Upton Company, St. Catharines.	1,600.22
" 1391, Dominion Cannery, Hamilton.	3,966.60
" 1394, E. D. Smith & Son, Winona.	3,665.84
" 1453, Wagstaffs, Limited, Hamilton.	3,746.48

Upon examination of the vouchers, I find that prices paid range as follows:

Raspberry.	5 lb. pkg. lowest	47½c.	highest	69c.
Strawberry.	"	"	55c.	" 74c.
Black Currant.	"	"	47½c.	" 69c.
Gooseberry.	"	"	45c.	" 60c.
Orange Marmalade.	"	"	44c.	" 55c.

The highest price paid in every case was to A. F. MacLaren & Son, who are not manufacturers of this class of goods, but who supplied goods manufactured by Glassco Company, Limited, of Hamilton. The goods manufactured by the Glassco Company, I am well informed, range in price about equal to the other four firms, who are manufacturers, and whose prices are very much below the prices charged by the MacLaren.

Please inform me why when the goods of Glassco, Limited, were being supplied, the order was not given direct to the manufacturers, and why the orders were not all given to the firm who quoted the lowest prices.

I have the honour to be, sir,

Your obedient servant,

(Sgd.) J. FRASER,
Auditor General.

Deputy Minister of Militia and Defence,
Ottawa.

Q. Did you get an answer to that?—A. Yes, I got this reply on March 22nd:—

DEPARTMENT OF MILITIA AND DEFENCE.

Ottawa, March 22, 1915.

Sir,—Your letter of the 12th inst. to Gen. Fiset, relating to the contracts for the supply of jams to Valcartier Camp has been passed to me for reply.

In answer to your inquiry "Why, when the goods of Glassco Limited were being supplied, the order was not given direct to the manufacturers," I beg to say that Glassco Limited did not directly apply for this business, nor were they known in this department as manufacturers of jams. On the other hand, A. F. MacLaren & Son applied in person (both father and son), for an opportunity to tender; and gave assurances, both verbal and written, that they were manufacturers. They applied personally to the Minister of Militia, who sent them to me; they were, moreover, recommended by Sir George Foster as canners.

Tenders for jam were originally received from Wagstaffe, Limited, and Dominion Cannery, Limited, both of Hamilton; the T. Upton Company, of St. Catharines; E. D. Smith & Son, of Winona; and A. F. MacLaren & Son, of

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Toronto. By instructions of the minister the contracts were made with each of these five tenderers at their tender prices.

I have the honour to be, sir,

Your obedient servant,

Auditor General,
Ottawa.

(Sgd.) H. W. BROWN,
Director of Contracts.

Q. Now if you will go back to the first letter, can you tell me what was the lowest price for strawberries?—A. Lowest, 55 cents.

Q. And the highest?—A. 74 cents.

Q. Who was the lowest?—A. It is not on this statement.

Q. Who was the highest?—A. A. F. McLaren & Son.

Q. What does that mean—55 cents per what?—A. 5 lb. package.

Q. Were all those prices based on 5 lb. packages?—A. Yes.

Q. Take raspberries?—A. Lowest 47½ cents, highest 69 cents.

Q. That is for 5 lb. tins?—A. 5 lb. tins.

By Hon. Mr. Reid:

Q. I see that some of them were paid 61 cents—Upton, for instance?—A. That may be; that is between those.

By Mr. Blain:

Q. Were they all of the same quality?—A. I don't know.

Q. I suppose they will be like anything else; there will be a variety of qualities?—A. Well, it is not evidence, but I understand that they are pretty much the same; that they have to pass inspection; there has got to be a certain quality of fruit.

Q. Not one standard of strawberries, higher or lower?—A. The Government inspection, I mean.

Q. But there may be a lower standard; what I mean is, is there not more than one standard of strawberries put up in cans?—A. I could not answer.

By Mr. Carvell:

Q. Is there anything in the correspondence to show any different varieties of quality?—A. No, I supposed, in writing that letter, that I would get some such explanation from the Department. I am looking for the reason, myself, for the difference in prices.

Q. Take gooseberries?—A. The lowest was 45 cents, the highest 60 cents.

Q. Marmalade?—A. Lowest 44, highest 55.

Q. What kind of marmalade?—A. Orange marmalade.

By Mr. Blain:

Q. Have you the name of the lowest tenderer for marmalade?—A. No. I think it is Upton.

By Mr. Carvell:

Q. Anyway, MacLaren is the high man?—A. In every case.

Q. That is, for 5 lb. tins?—A. For 5 lb. tins.

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By Hon. Mr. Reid:

Q. As I understand from you, there is not a low man and a high man; that prices vary; in some cases some men are lower in one thing and a little higher in another, except in MacLaren's case?—A. No, speaking from memory now there seems to be one low man.

Q. Right straight through?—A. Nearly, anyway; I would not say on all.

Q. There is no one low man on everything, the same as there is a high man?—A. That 47 cents man, I recollect those figures, that his ran about the lowest in the whole lot.

By Mr. Boys:

Q. Is not Upton high in some cases and low in others?—A. I would not like to say without the document.

By Mr. Carvell:

Q. Now, black currants?—A. 47 cents and 69 cents.

Q. And MacLaren was the 69 cents man?—A. Yes.

Q. Are there any other goods supplied, according to the invoices?—A. I have not looked over them.

Q. Look over the invoices of MacLaren?—A. Strawberry, raspberry, marmalade, black currants, gooseberry, and some assorted cases, I do not know the contents.

Q. What would be the value in dollars of the assorted cases?—A. \$540 in both cases out of 1080.

Q. Practically one-half, then, would be what you call assorted goods?—A. Yes.

Q. Was there anything to show of what those goods would be composed?—A. No; it says "Cases assorted."

By the Chairman:

Q. It means assorted of the same kind of stuff?—A. I don't know.

Witness retired.

The Committee adjourned at 1 p.m., until Tuesday, April 6, at 11 a.m.

HOUSE OF COMMONS,

Room 211,

TUESDAY, April 6, 1915.

The Select Standing Committee on Public Accounts met at 11 a.m., Mr. Morphy presiding, in the absence of Mr. Middlebro', Chairman.

The Committee proceeded to the further consideration of "Sessional Paper numbered 122 of the present session of Parliament and all other papers in relation thereto, being copies of correspondence between the Auditor General and the Department of Militia and other departments of the Government, laid upon the table of the House in respect to expenditures under the War Appropriation Act," referred to them by the House.

The CHAIRMAN: Have you anything to go on with, Mr. German.

Mr. GERMAN: Mr. Carvell is not here, and I have nothing, unless Major Thomas has more evidence to give.

Mr. JOHN FRASER.

APPENDIX No. 3

Major W. O. THOMAS, recalled.

By the Chairman:

Q. On bicycles, you are producing certain data?—A. You asked me to produce all the correspondence that I had on bicycles, and while this (referring to letter) was addressed to me, I sent it to the Transport Committee. It is the only thing on file from Hyslop Brothers.

Q. (Reading):—

“Dear Sir,—

“We have had no reply to our communication of January 22,——.”

There is a memorandum in pencil, “Not on file, W.O.T.” (Resumes reading of letter):—

“And noticing in the newspapers that more bicycles are to be required by the Government for war purposes, we again write to inquire if we may not have the opportunity of quoting prices on such bicycles as you may need for military purposes.

“As mentioned in our letter of January 22, our facilities are such that we can make prompt deliveries in any reasonable quantities up to one thousand at a time on short notice.”

By the Chairman:

Q. This letter was referred to by Mr. McWilliams, was it not?—A. I think he claimed that that letter was sent to me; I received it.

The CHAIRMAN: (Resuming reading of letter):—

“We have already sent you a catalogue, but it may not have reached you, and we are sending another one to you, under separate cover, by this mail, addressed to you personally.

“We have been manufacturing bicycles in Toronto for over 26 years, which entitles us to the name of pioneers in this industry in Canada. Hyslop bicycles are in use from coast to coast, and there are no wheels better known than the ones of Hyslop make. As you will note from the specifications in catalogue, our bicycles are strictly high grade and we guarantee them to stand as hard usage as any bicycle in the world.

“We would be very pleased to receive a reply from you on this subject.

Yours very truly,

HYSLOP BROTHERS, LIMITED.”

Per (Sgd.) A. M. BOTTCHEK.”

Q. What next, Major Thomas?—A. I think that is all that I have to turn in. I think you have copies of everything else.

By Mr. German:

Q. You stated, Major Thomas, that you had made a very large saving?—A. I think I am wrong in stating that. I do not think you have had this copy. The reporter I think had this copy (exhibiting document.)

By the Chairman:

Q. What do you mean in your answer to Mr. German? Do we understand you to say that you were wrong in your statement that you made a very large saving?—A. No. I think I was wrong in stating you had this report, the reporters had the report. Is that the one I am supposed to have turned in?

Major W. O. THOMAS.

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By Mr. German:

Q. You did state that under your management, or under the management of this Committee that had been appointed, a very large saving had been made in the purchase of motor trucks as against the price paid for the motor trucks purchased for the First Contingent.—A. Yes.

Q. Now, on the basis of the saving that you made in the purchase of motor trucks for the Second Contingent, how much saving would have been made on the same line of action in the purchases for the First Contingent?

Mr. RHODES: Is that question put right, Mr. Chairman?

Mr. GERMAN: I think it is a proper question.

Mr. RHODES: You are assuming that the same line of action could be taken.

Mr. GERMAN: If he says the same line of action could not be taken it is another thing. I am asking him, following out the same line of action that was taken by him, or by the Committee, which was taken in the purchase of motor trucks for the Second Contingent, how much saving would have been made on the purchase of motor trucks for the First Contingent.

Mr. RHODES: Why not put the question in this way: assuming that you bought an individual motor-truck for so much, how much would you have saved.

Mr. GERMAN: I am not assuming that at all. If my question is a proper one I want it put in the way I have suggested. If it is not a proper question, all right.

Mr. RHODES: The way you put the question involves the reply that the purchases for the First Contingent could have been made in the same manner as the Second.

Mr. GERMAN: Not necessarily at all, because he can be very quickly asked if that is the answer to this question whether those purchases could have been made in the same way.

The WITNESS: The saving made on the second purchase was not possible on the first. I could specifically have bought, if I had been here at the time, Peerless and Kelly trucks for the same price as I did buy them—in fact I gave General Hughes those prices in New York—but otherwise I could not have bought anything cheaper at the time than Mr. Russell bought.

Q. Very well then, you have answered part of the question. Now, what saving would have been made on the Peerless and Kelly trucks?—A. Peerless and Kelly trucks I happened to have special prices on, which Mr. Russell did not at that time.

Q. I don't care anything about that. What saving would have been made?—A. On the Peerless a saving would have been made of \$270 a truck.

Q. And how many trucks were purchased?—A. 25.

Q. 25 at \$270 a truck, that would total how much?—A. \$6,750.

Q. \$6,750, is that right?—A. Yes.

Q. Then on the Kelly trucks?—A. A saving could have been made of \$510 a truck.

Q. And how many trucks were purchased?—A. 25.

Q. 25 at \$510.—A. That is I think \$12,750.

Q. That would make a total of \$19,200?—A. No, \$19,500.

Q. You are right, it is \$19,500.—A. I could only have done that because we had at the time special prices for the British War Office on those trucks.

Q. Quite so, but those prices could have been had by anybody I suppose?—A. They could have been gotten by an agent, they never had been quoted to the Government.

Q. But they could have been got by an agent?—A. Oh yes, they were gotten by an agent.

Q. And you heard Mr. Russell make the statement that his Company were the agents for these concerns?—A. Yes.

By Mr. Boys:

Q. When you say an agent what do you mean?—A. An agent with a contract to sell that particular truck.

Major W. O. THOMAS.

APPENDIX No. 3

By Mr. Bennett (Simcoe):

Q. The agent would have got that profit, not the Government?—A. No, the Government would not have got the profit.

Q. And there would have been no saving because the agent would get that profit and not the Government?—A. Surely.

By Mr. Boys:

Q. Mr. German stated that anybody could have made that sale and you said that an agent could have done so. Apparently Mr. German was referring to a likely saving for the Government, whereas if an agent had made the sale he would have secured the profit and there would have been no saving for the Government.—A. No. My own firm were virtually in the position of agents, only we were willing to give to the Government the saving we could make, but the others were not.

Witness discharged.

Mr. GERMAN: There is an answer on p. 1722 of Hansard in regard to the purchase of housewives from Mr. Stewart McClenaghan, of The 2 Macs, 100,000 at 53½ cents each.

The CHAIRMAN: Is it referred to in this Sessional Paper?

Mr. GERMAN: I am not sure. I think it would be well to have Mr. McClenaghan subpoenaed, because I am told, whether rightly or wrongly, that these things are sold to the trade for about one-third of that price.

Hon. Mr. REID: As far as Mr. German's request is concerned, as I understand it, the Auditor General's report for last year was referred to this Committee by the House, also this report of the war expenditures. So far as I am concerned, or the Government, we have no objection to everything being investigated, but we are meeting to-day with witnesses to examine, and still we are not going ahead with them. If there is anything in what Mr. German has said I think it should come to this Committee in the proper way. If we are going to start now to subpoena Mr. McClenaghan or anybody else, because some answer has been brought down, where will we end? The House is practically over with its business, and I would like to see the Committee sit morning, afternoon and evening, the same as other Committees, and try to finish our work. We are ready to close the House as soon as the Committee is satisfied that the matters under investigation are completed. We want to keep this Committee as long as necessary until every man is satisfied that they have investigated everything that is before them. I ask Mr. German, is it fair to start in investigating something, when we have witnesses waiting to be examined, without referring the new matter to the House?

The CHAIRMAN: We will go on with the witnesses.

Hon. Mr. REID: If there is anything in the McClenaghan case we can take that up later on. Let us go on with what we have.

Mr. GERMAN: Perfectly content.

W. J. HUNT called, sworn and examined.

Mr. BOYS: Mr. Carvell made the statement that he would not be here to-day, but that he would arrange for some person to take charge of the witnesses.

Mr. GERMAN: Mr. Carvell did not make arrangements with me but I will see what the witness knows.

Mr. German:

Q. What is your occupation?—A. I am a farmer at present.

Q. Where do you reside?—A. Sherbrooke.

Q. In the Province of Quebec?—A. Yes.

Mr. W. J. HUNT.

By Mr. McCrea:

Q. Mr. Carvell, who was the man who subpoenaed you here, is not here to examine you and consequently seeing that Mr. German does not know anything about it, perhaps I can examine the witness, as I know that Mr. Fletcher was sent down to buy some horses for the Government last fall which were first assembled at Sherbrooke and shipped to Valcartier?—A. Yes.

Q. You were accompanying him when he was buying those horses?—A. I was with him for thirteen days—I did not commence at the first.

By Hon. Mr. Reid:

Q. Who was Fletcher?—A. R. H. Fletcher, he is a major.

Q. And a member of the militia?—A. Yes.

Q. Now, Mr. Fletcher was buying horses and from your knowledge of his transactions did you notice anything that you considered irregular? Did you make mention of that to some parties in Sherbrooke of some irregularities and dealings that you considered not correct?—A. I made a remark that there were some three Clydesdale mares which were bought for the Government but were not delivered to the Government.

Q. And what replaced them?—A. They were replaced by I believe three other horses.

Q. From Major Fletcher's farm?—A. I do not know. I saw one of the horses that was brought in. The others I don't know. I understand—

The CHAIRMAN: That is a rather serious statement you are making and it should not be made on hearsay.

——I do not know anything about the horses that replaced them.

Q. Do you know or can you give the names of the parties from whom these horses were bought?—A. No, I cannot, he has the books, I can't tell the names of the parties, I know one mare was bought at Durham and the other at Angus. That is all I know about it. I do not know anything about his books at all; I had nothing to do with it.

Q. Did you say these mares are still on Fletcher's Farm?—A. Are still on his farm. They were a little while ago.

Q. How long ago?—A. I should say a month ago, but did not take a note of the time.

Q. How do you know they are there?—A. Well, I saw them in team one day—I have reason to know they are there from investigation I made, and I also saw the veterinary surgeon.

By Mr. Rhodes:

Q. Do you know these horses were purchased for the Government by Major Fletcher?—A. I know they were purchased and paid for by Government cheques.

By Mr. Boys:

Q. How do you know that?—A. Because I saw it done.

Q. You were present at the time?—A. I was present when the mares were bought.

Q. One was bought at Durham?—A. Yes.

Q. From whom?—A. I do not know. I do not remember the names—there were two or three hundred names.

Q. One was bought at Durham?—A. One was bought at Durham.

Q. Can you say who the farmer was from whom the mare was purchased?—A. No.

Q. Can you say where his farm is?—A. No, I do not know.

Mr. W. J. HUNT.

APPENDIX No. 3

Q. You were with Fletcher?—A. I was with Fletcher and the veterinary surgeon, Dr. Gow, who examined the mare.

Q. What was the price paid?—A. I think it was \$225.

Q. For the one bought at Durham?—A. Yes.

Q. And that mare was a Clydesdale?—A. Yes.

Q. And was delivered at the time?—A. It was delivered at the stable then.

Q. Do you know what was done with the mare after delivery?—A. She was brought to Sherbrooke with a lot of other horses I believe, but I did not see her again until I saw her on the farm.

Q. Confine your evidence to what you know yourself?—A. I did not see her until I saw her some time afterwards in Sherbrooke.

Q. Were these mares assembled with a number of other horses?—A. Yes.

Q. From whom was the mare bought at Angus, do you know?—A. No.

Q. Who were present at the time?—A. Dr. Gow, Major Fletcher and myself and these men—the vendors.

Q. What was paid for that mare?—A. \$250, I think. Of course if I had the books I could tell.

Q. And these horses were collected together at Sherbrooke?—A. Yes.

Q. You spoke of a third mare, what about that animal?—A. I do not know—I did not see that one purchased. It was only from inquiries I made that I learned about her. I do not really know anything about it.

Q. As far as the third one is concerned you have no knowledge at all about it?—A. No—I have no knowledge at all.

Q. When next did you see these two that you were speaking about that were purchased at Angus?—A. I do not know. I did not take the date down.

Q. In whose charge were they?—A. In charge of one of the teamsters—I don't know the man's name.

Q. I thought you said they were at Fletcher's farm?—A. I did not see them on Fletcher's farm; but I saw them in the team.

Q. I should have asked you at what time were the purchases made?—A. Some time in August; towards the end of August.

Q. Now we understand that you saw these two in Sherbrooke. I want to find out the next time that you recollect seeing them and in whose charge were they?—A. I only saw them once that I remember; I wasn't looking for them until I saw them.

Q. How soon after?—A. Oh perhaps it would be a month after.

Q. And had the horses which were purchased at that time been delivered to the Government?—A. Oh yes, they had all been shipped to Valcartier.

Q. How did you know it was those particular mares, you were not interested?—A. I knew them by reason of seeing them, that is all.

Q. Although you were not interested at all?—A. I have never got a cent for anything I did.

Q. Do you feel sufficiently sure to be confident they were the same mares?—A. Yes, I am a horseman to a certain extent; I have had a great many animals.

Q. You have made a statement that they were on Fletcher's farm? That they were there until a month ago—you have made that statement here?—A. I understand that they were on Fletcher's farm; I did not see them there, I do not know.

Q. That was your understanding?—A. I had information that they were.

Q. You do not know of your own knowledge that they were?—A. No, only from what information I had. What I have been told.

Q. Perhaps we had better find out your authority?—A. You can prove that by the other witnesses.

Q. If there is any witness that is not here, who is your authority, you had better let us have his name?—A. Dr. Gow, he is the veterinary.

Mr. W. J. HUNT.

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Q. Where does he live?—A. He lives at Sherbrooke.

Q. You were there at the purchase and you saw those two mares sometime later?—

A. I saw them in Sherbrooke some time after the others were shipped, but I did not—

Q. And that is all you do know of your own knowledge?—A. That is all I do know of my own knowledge.

Q. What interest, if any, had you in the purchase of these horses?—A. I had no interest.

Q. How did you come to be present at the transaction?—A. He asked me to go with him.

Q. Did he say why?—A. I suppose he thought I knew a little something about horses.

Q. Did you take part in the buying? Did you give him any assistance?—A. Yes, I tried to do the best I could.

By Mr. Bennett (Simcoe):

Q. Where is Major Fletcher now, as far as you know?—A. I don't know; he lives in Sherbrooke.

Q. Is he at the front or at home?—A. He is not at the front. I know that.

Q. Is he home in Sherbrooke?—A. I think he must be there now; I do not know; he lives there.

By the Chairman:

Q. When did you see him last?—A. I have not seen him for a week or ten days.

Q. How far do you live from his place?—A. Just a stone's throw.

By Mr. Boys:

Q. You said you understood that three horses took the place of those Clydesdales. That is hearsay as well. You do not know that of your own knowledge?—A. I don't want to swear to anything of that kind. I have been in the Customs a good many years and have done a little detective work.

Q. You were not acting in that capacity in that case?—A. I thought I would do a little of it; there are certain things. It was a horse that was owned in Sherbrooke, owned by Mr. Fletcher, sent to Valcartier. The horse has disappeared.

Q. Simply because a horse has disappeared you are not going to jump at the conclusion it has gone to Valcartier?—A. You can jump at whatever conclusion you like. I jumped at the conclusion that it went to Valcartier.

Q. That is a conjecture?—A. You can prove it by the other parties.

Q. Now you want to be perfectly fair and candid?—A. That is all I want.

Q. That is a pure guess and conjecture?—A. I don't know; I do not think I can answer it in that way.

Q. On what ground do you make that assertion? Did you ever see it delivered there?—A. No.

Q. Did you ever see it destined there?—A. No.

Q. Why did you reach such a conclusion?—A. Because I am not a fool, and have some ideas of what is going on. I have given you all the reasons. I have not seen it since; you can draw your own conclusions.

Q. Your evidence is this: You knew of the horse being there, and because it has gone away you jump at the conclusion it has gone to Valcartier?—A. Yes.

Q. You say you live a stone's throw from Fletcher's?—A. Yes.

Q. And you have not seen the horses on his place?—A. I have not seen them.

Mr. W. J. HUNT.

APPENDIX No. 3

By Mr. Rhodes:

Q. What are your relations with Mr. Fletcher, are you friendly?—A. I always have been friendly.

Q. Are you on friendly terms now?—A. No, I am not on friendly terms now, but that has nothing to do with this.

Q. I don't want you to make any stump speeches. As a matter of fact are you not at enmity with him? You had a quarrel?—A. Yes, but that does not—

Q. Don't make any speeches. How long is it since you have been on Mr. Fletcher's premises?—A. On his premises? I pass by his house every day.

Q. I did not ask you when you passed by his house, but when you were on his premises?—A. I have not been for some time. I do not think I have been in his house ten times all my life, and I have known him for forty years. I am not on intimate terms.

Q. You have never been very friendly with him?—A. Yes, at times.

Q. Friendly at times and at enmity at times?—A. We are not very thick and never have been.

Q. You have never been very friendly?—A. No. I have been pretty friendly with him. I do not class it in that way; I am not very friendly with a lot of people I speak to.

Q. I am not asking you about a lot of people; I am asking you about Mr. Fletcher. Have you or have you not been very friendly with him in the past?—A. No, I have not.

Q. As a matter of fact you have always had more or less difference with him?—A. Since when?

Q. As long as you like. You never got along with him very well?—A. I had a good deal of dealings with him and with his father.

Q. How long have you lived within a stone's throw of him?—A. Thirty or forty years.

Q. And you had been in his house in that period, you say, ten times?—A. Yes.

By Mr. Boys:

Q. You were apparently quite friendly when you gave him the benefit of your services in purchasing these horses?—A. Yes.

Q. What took place after that caused the rupture?—A. It was nothing, except that I did not think he had any right to change these horses.

By Mr. Rhodes:

Q. Do you know of your own knowledge that these horses were changed?—A. I know they were on his farm, and I saw them in town.

Q. Do you know, as a matter of fact, that these horses were substituted, yes or no, as a matter of your own knowledge?—A. I say I do not know—

Q. I don't want any speeches. Do you of your own knowledge know that these horses were substituted?—A. I know that those two horses went out to his farm.

Q. That is not an answer to the question at all. I am asking you if two horses which were purchased for the Government were substituted, and two of his own given in exchange for them? Do you know that of your own knowledge?—A. I know he took them out to his own farm.

Mr. McCREA: These horses were bought; I saw the cheques myself.

Hon. Mr. REID: This witness said he did not know the names of the parties from whom they were bought. Mr. McCrea says he knows.

By Hon. Mr. Reid:

Q. Did you not state you did not know the names?—A. I do not know the names.

Mr. W. J. HUNT.

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Hon. Mr. REID: Now, Mr. McCrea knows the names, he should help us to get to the bottom of this. I ask Mr. McCrea now, as he knows, will he swear these were bought from those two men, and are on Mr. Fletcher's farm now.

The CHAIRMAN: Let us get down to the proper conduct in this Committee.

By Mr. Rhodes:

Q. I will renew my question. Do you know of your own knowledge that two horses which were purchased by Mr. Fletcher for the Government, with Government money, were substituted by him and two of his own horses given to the Government instead. I want a yes-or-no answer?—A. Well, I know that the mares were there; but I do not know what horses he substituted.

Q. I think you are an intelligent man. You should answer my question?—A. That is what I am trying to explain.

Q. My question requires, and should have, a yes-or-no answer. I am asking Mr. Hunt to answer yes or no to the question as to whether Mr. Fletcher purchased two horses or mares, for the Government, paid for by Government money, and substituted for them two horses of his own and delivered them to the Government. Do you know of your own knowledge that that was done?—A. Well, I—

Q. Yes or no?—A. Wait a minute until I think it over.

By the Chairman:

Q. The question has been put four times, and this is a very intelligent witness, and I do not think it is fair to the Committee that he should not answer?—A. I understand that they were changed.

By Mr. Rhodes:

Q. Do you know of your own knowledge?—A. That they were changed, that other horses were put in its place? No, I do not know.

By Mr. Nickle:

Q. You know that two horses were bought with Government money for the Government by Mr. Fletcher?—A. Yes.

Q. You know those horses were not delivered?—A. Were not delivered at Valcartier, because I saw them sometime afterwards on a team going past my place.

Q. Did you ever ask Mr. Fletcher for an explanation of it?—A. I did ask him once who gave him permission to change those horses, that is what I asked.

Q. What was his answer?—A. He never answered me at all.

Q. And you think it is something that requires explanation?—A. Yes.

Mr. NICKLE: I think that is reasonable.

By Mr. Bennett (Simcoe):

Q. Is Major Fletcher discharging any military duties at camp now?—A. I do not think he is. He was acting with the Battery.

Q. What is he doing now in connection with the Militia?—A. I really do not know that he is doing anything. He was supposed to be recruiting some time ago; there was an advertisement, but I do not know what he is doing now.

Q. Is there a camp there now that he is in charge of?—A. No, there is the camp for remount, and the 5th Brigade.

Q. Is he a superior officer?—A. He has nothing to do with it at all, Colonel Baker is in charge.

Mr. W. J. HUNT.

APPENDIX No. 3

By Hon. Mr. Reid:

Q. Is he recruiting at present?—A. Fletcher is not recruiting that I know of.

Q. You say there is a Battery at Sherbrooke, has that been there for some time?

—A. Yes, for two or three years, but they sent all the guns to Valcartier.

Q. While the Battery was there, did the Militia have any horses there?—A. No, they did not have any.

Q. Previous to the war?—A. No.

Q. They never had any horses there at all?—A. I think it was the 13th of August they commenced buying, I am not sure.

By Mr. German:

Q. You are a dealer in horses?—A. No, I am not. I have always kept a lot of horses, I have always been a horse fancier.

Q. These Clydesdale mares were thoroughbred?—A. I heard the man say they had pedigrees.

Q. They had the appearance of thoroughbreds?—A. They were Clydesdale mares.

Q. And Mr. Fletcher, what is his occupation?—A. I think he lumbers, and farms.

Q. He has a farm, has he?—A. His father had. I really do not know much about their financial affairs.

Q. How old a man is Major Fletcher?—A. I think he is thirty-three or thirty-four, but I do not know.

Q. Have you seen these mares on his farm?—A. No, I have not. I have seen them in town, I think perhaps twice. I saw them since.

Q. You remember seeing them once?—A. I saw them after the horses were shipped.

Q. Do you know of your own knowledge that two horses which Major Fletcher had have disappeared—where they have gone I need not ask—but have they gone away?—A. I know of one, but I do not know of the others.

Q. How far is Major Fletcher's farm from the town of Sherbrooke?—A. I should think about five miles.

Q. Does he breed thoroughbred Clydesdales?—A. I do not know that he does, I think he was going into it but I am not sure.

Q. He keeps a lot of horses?—A. He keeps a lot.

By the Chairman:

Q. Did the difference in your friendship with Fletcher occur before or after these horses were purchased?—A. It was after they were purchased.

By Mr. McKenzie:

Q. What was the cause of this falling out, did it have anything to do with the horses?—A. No, it had nothing to do with the horses.

Q. You have told the Committee that you asked Major Fletcher why he kept these horses, or you put some question to him as to why he still had these horses in his possession?—A. I did that.

Q. What language did you use?—A. I asked him under what authority or who gave him permission to take those horses.

Q. And did he make any reply?—A. No, he did not.

Q. He did not answer you at all?—A. No.

Witness discharged.

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Mr. W. S. LYNN called, sworn and examined.

By Mr. German:

Q. Where do you reside?—A. At Sherbrooke.

Q. In the town of Sherbrooke?—A. Yes.

Q. And have you always lived there?—A. All my lifetime.

Q. What is your occupation?—A. Farmer at the present time.

Q. Do you know Major Fletcher?—A. Yes, from boyhood.

Q. Do you know Mr. Hunt, the previous witness?—A. Yes.

Q. Do you know anything about the purchase by Major Fletcher of two Clydesdale mares, one at the town of Durham and one at Angus?—A. I do not know anything about two, but I know about three.

Q. Where were they purchased?—A. One at Durham, one at Sawyerville and one at Cookshire.

Q. Now those are the three that you know about?—A. Yes.

Q. What about Angus, was there one purchased there?—A. I do not know anything about Angus.

Q. Is it a town or a township?—A. A small town.

Q. The last witness said that one Clydesdale mare was purchased in Angus?—A. He made a mistake there, I noticed it at the time.

Q. Now then tell us all you know about Major Fletcher's purchase of these three mares?—A. I was engaged by Major Fletcher to take charge of these horses as they came in and to ship them to Valcartier.

Q. As they came into Sherbrooke?—A. I sent them to Valcartier; he bought them at different places.

Q. Did Major Fletcher furnish you with a list of horses he bought?—A. Yes, but I haven't got it.

Q. What did you do with it?—A. I destroyed it at the time, I did not need it any more. When he bought horses he gave me a list and I had to sign for them.

Q. Did you sign for the three Clydesdale mares?—A. Not for them alone, they came with a bunch of other horses.

Q. They came to Sherbrooke?—A. Yes.

Q. You examined them, you saw them?—A. Sure.

Q. What became of these three Clydesdale mares that you have spoken of?—A. I do not know that they were Clydesdale, I know one of them wasn't, and the other two were low set animals.

Q. What became of them?—A. They are on Major Fletcher's farm.

By Mr. McKenzie:

Q. Are the three mares there?—A. The three mares are there, and he put other horses in exchange for them.

Q. How lately did you see them?—A. Friday or Saturday, I go by his farm every day.

Q. Do you know of your own knowledge that Major Fletcher sent three horses to Valcartier in place of the three spoken of?—A. I do.

Q. Do you know the price he paid for these three mares?—A. I do not know anything about that at all.

Q. Did you see the three horses that went to Valcartier to replace the three mares?—A. I did.

Q. And they were three of Major Fletcher's horses?—A. They were all Fletcher's horses, and very good ones too.

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Q. How old were the three mares you have spoken of?—A. I should think six or eight years old. Two of them are very heavy in foal at present. The reason he changed them after he had bought them was that they were in foal and it would not do to send them.

Q. What about the third one?—A. The third one is not in foal at present.

Q. Then he sent three of his own horses. In fairness to Mr. Fletcher I think I should ask you what about the three horses he sent?—A. I think they are as good value as he got; one of the mares is almost useless, the other two are very good.

By Mr. Kyte:

Q. How old would that horse be that he gave \$200 for?—A. He put that one in, and another horse which was a good one, and another which was not bad; they were all good horses.

By Hon. Mr. Reid:

Q. You think he gave good value?—A. Just as good as he got, I do not think he made a dollar out of it, and he did not cheat the Government at all.

By Mr. Boys:

Q. Did he make any secret about it?—A. No.

Q. The fact of the exchange was well known in the neighbourhood?—A. It was well known in the neighbourhood.

Q. Mr. Hunt is not very good friends with Major Fletcher?—A. It is all the same to me, but it is in my mind that Mr. Hunt wanted pay, and Major Fletcher didn't give him what he wanted.

Q. Pay for what?—A. For his services in going around buying horses. He wanted \$10 and Fletcher offered him \$3; he would not accept that.

Q. How do you know that?—A. Fletcher told me, that is all I know of it. I asked him at the time and he told me that.

By Mr. Bennett (Simcoe):

Q. Were the mares heavy in foal?—A. Two of them are and the other is not.

Q. They were in foal at the time they were bought, were they not?—A. You couldn't tell that in August, he found it out afterwards.

By Mr. German:

Q. Would it not have been the proper thing in buying mares like that to ask whether they were in foal or not?—A. I think so.

Q. What reason did he give for keeping the third mare when one of them was not in foal?—A. She was supposed to be in foal but she was not.

Q. Were you present when he bought these?—A. No.

By Mr. Boys:

Q. Was there any inspection of the three mares; who signed that certificate?—A. Mr. Gow passed them, I believe.

Q. I do not want you to say if you do not know; you do not know that of your own knowledge?—A. No, I am not sure. One was passed but I do not know about the other two.

Q. I did not know whether, you being in charge of the horses, anything would come to you to indicate that they had been passed?—A. There were 396 horses bought, and there were that many shipped, I shipped them to Valcartier.

Q. But there is nothing on record, as far as you are concerned, to indicate that they had been passed by the veterinary?—A. No.

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By Mr. Kyte:

Q. Could you describe those horses he substituted for those he purchased. What was their colour for instance?—A. Two brown mares, and the other was a chestnut.

By Mr. McCrea:

Q. The one you call a chestnut, is that a clouded horse?—A. I thought you were speaking about the mares.

Q. No, the horses that were substituted?—A. There were two bays and the other was a chestnut with a white face, a very pretty horse, with a silver mane, a young horse about seven years old.

Q. And you consider that horse good value in exchange for a horse that he gave \$225 for?—A. They claimed that they had an offer of \$250 for that horse and would not accept it, but that is hearsay.

Q. Would you give that?—A. No, I would not, and he has got a mare I would not give half that money for to-day.

Q. Would you give half of that money for that clouded horse; as an honest man on your oath, would you give that?—A. No, I would not.

By Mr. Kyte:

Q. You would not give half that money for the horse?—A. I would not, unless I took a fancy to him and wanted him.

Q. That is if you liked his colour and did not care about his usefulness?—A. Yes.

Q. And that is one of the horses that was substituted for this \$250 mare, that is correct?—A. That is correct.

By Mr. McCrea:

Q. Wasn't another one, a bay horse with a white face and four white feet, then there is the black horse?—A. And he was a good one too.

Q. How old was he?—A. Six years old, a lovely horse.

Q. It is a long time since he was six years old?—A. No, you are mistaken, I go by the farm every day and I am sure of that.

By Mr. Bennett (Simcoe):

Q. What were you going to say about one horse? You were going to say something about another horse?—A. He was condemning one horse, this chestnut, and I was going to say he was as good value as one of these mares, that she is almost worthless.

By Mr. Kyte:

Q. Who bought this worthless mare?—A. Major Fletcher.

Q. Was this one of the mares that the last witness spoke of, this mare that is almost worthless?—A. Yes.

Q. Which one was that?—A. The one that comes from Durham.

Q. Was she worthless at the time the exchange was made?—A. She looked pretty good.

Q. She has turned out bad since?—A. She had a foal and they put her right to work and it knocked her out.

Witness discharged.

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Major E. E. CLARKE called, sworn and examined.

By Mr. Rhodes:

Q. What is your position, Major?—A. Assistant Director of Supply and Transport at Headquarters.

Q. The Auditor General, in giving some evidence on March 30, with respect to horses purchased for Valcartier, gave the following evidence—I am going to summarize it so that you can catch the drift of it. The evidence begins at p. 364, but the particular questions I have reference to will be found on p. 370. The statement of the Auditor General briefly is this: That a total of 8,483 horses were purchased and delivered at Valcartier, that this number was accounted for by a certain number having been shipped with the vessels conveying the first contingent, a certain number were sold, and at the bottom of page 370 Mr. Fraser, in answer to myself, said:

“Q. Mr. Fraser, you have stated that the difference between the number of horses purchased, including the addition of the number of the Permanent Force, and the number of horses sent forward, also 466 sold at Valcartier, leaves a balance of 399?—A. 397.

Q. Still unaccounted for?”

The fact is that according to the evidence of the Auditor General there was a balance of 397 horses still unaccounted for. I want to ask you if the figures that you have compiled from the records account for the horses purchased, and the horses delivered, and the horses still on hand?—A. The horses purchased——

Mr. McKENZIE: I presume he has the records.

By Mr. Rhodes:

Q. You have compiled figures taken from the records of the Department?—A. From the records such as were available.

By Mr. Chairman:

Q. What were those records?—A. The cheques issued for the horses purchased, and some correspondence, I had nothing to do whatever with the purchasing of these horses or the accounting in connection with them.

Q. Whence did you get these records?—A. From the Accountant and Paymaster General of the Militia Department.

Q. Regularly enrolled in his Department?—A. Yes, sir.

Q. And you swear that this is an accurate and true copy from those records?—A. I do, sir, a true compilation of the records.

Mr. McKENZIE: I submit that is not evidence. The records themselves should be here.

Mr. RHODES: I suppose they are available and can be brought here if there is any doubt cast upon this statement. These are compiled from the original documents.

Mr. GERMAN: If this man makes the statement he has compiled them, it is evidence.

Mr. McKENZIE: I am not objecting. But we have tried to get these records from several officers, including the Minister, and they say they have not these records.

The CHAIRMAN: The last word of the Minister was that they would account for these horses.

Mr. McKENZIE: They stated that Colonel Neil took the records abroad with him.

Mr. RHODES: Let me submit this on this point. The only evidence we have before the Committee which would go to show that there had remained a balance of horses unaccounted for is the evidence of the Auditor General. Now we have a witness who

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is in the Department from whom the Auditor General gets a good deal of his information and whose evidence is at least as good if not better than the evidence given by the Auditor General. I don't think it is competent to object to the statement he wishes to make.

Mr. McKENZIE: I had nothing to do with the evidence of the Auditor General.

The CHAIRMAN: There is really nothing before this Committee except rather a nasty insinuation—there is no evidence to support it—that certain horses were missing. I think in the public interest, and that of all parties, that ought to be cleared up.

Hon. Mr. REID: The Auditor General has made a statement which reflects on the Department of Militia. It has gone forth to the country that so many horses have been missing and the Auditor General's statement is the authority. The Minister of Militia asks that his official, who knows all about the situation should be allowed to explain away the statement which was wrongfully made in so far as his department was concerned, by the Auditor General.

Mr. GERMAN: The Minister of Militia was asked if there was any record in the Department of the number of horses bought and the number shipped from Valcartier. He said: No.

Hon. Mr. REID: Excuse me——

Mr. KYTE: He said that Colonel Neil was at the front and had these records with him. The Minister said they had the same trouble in getting a list of the men who joined the contingents. The Minister did say that he expected to get these records back from the purchasers of the horses. In the absence of a complete record the Auditor General was asked as to the number of horses that were purchased, and the number shipped to Valcartier, and the number sold. He gave a statement that left a balance of 397 horses not accounted for. Now, the Auditor General did not intentionally say there was anything wrong.

Hon. Mr. REID: I am not saying that in an offensive way. But I say that a statement has been made that reflects on the Department of Militia. The Minister of Militia could not be expected to have all these details in his head. He had an official of his Department make inquiries, and the assistant transport officer, knowing the whole facts of this case, the Minister sends him here to give the further information he has been able to find in his Department.

Mr. KYTE: He admits it is not complete, that it is only fragmentary information.

Hon. Mr. REID: Let us accept it for what it is worth.

The CHAIRMAN: It is as regular as lots of evidence we have admitted. My view is—and I am simply presiding officer, I do not dictate to the committee—that any evidence that is of material value to assist the committee and the public in showing how the affairs of this country are run, coming from official sources, ought to be permissive here, and freely and anxiously sought after.

Mr. KYTE: I quite agree.

Mr. McKENZIE: I absolutely agree with that, we are doing the best we can. I will not object any further, but I want to put on the record that I am objecting to abstracts from the records when the records themselves could be produced and are here.

By Mr. Rhodes:

Q. You have compiled a statement there?—A. Just for my own information, to answer any questions.

Q. Give us what you have.—A. I have here, 8,164 horses were purchased in connection with the first contingent. In addition there were 398 publicly owned horses in the country at the time.

By Mr. Kyte:

Q. Owned by the Militia Department —A. Yes. And in use by the permanent force previous to the declaration of war. On the 13th of March last, I see by the files,

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where the Auditor General asked the Deputy Minister of Militia for a statement of the publicly owned horses that proceeded overseas with the units, and in reply to the inquiry the officer commanding the 3rd Division was asked the number of horses with the Royal Canadian Horse Artillery from Kingston. He gave in reply 442 horses, which was not a fact, as they never had 442 horses in their history. They had 175 horses shipped with their personnel to Valcartier camp, which made a difference of 267.

Q. Is that included in the 398 you have just mentioned?—A. Yes. That will reduce the Auditor-General's difference.

By Mr. Rhodes:

Q. You must subtract 267 from 397 —A. It leaves 130 horses.

By Mr. Kyte:

Q. How many not accounted for?—A. 130.

By Mr. Rhodes:

Q. And the record was an error to the extent of 267?

By Mr. Kyte:

Q. That is the error of the Department?—A. Of the officer commanding the 3rd Division at Kingston.

Q. Not the error of the Auditor-General?—A. No, I have found out since.

Mr. RHODES: There is no desire to reflect on the Auditor General in the slightest degree.

By Mr. Nickle:

Q. How would that mistake arise?—A. He misinterpreted the wording of the letter. He thought the question was asked: How many horses proceeded overseas.

Mr. KYTE: You should have those letters here. He is giving evidence of letters in Ottawa.

Mr. RHODES: One is in the bluebook, will you accept that?

By Mr. Nickle:

Q. Are you able to produce before this Committee the copy of letter written to the D. O. C. at Kingston?—A. Yes.

Q. Will you do so?—A. Yes.

Mr. NICKLE: Have you any objection to him telling the import of the letter to facilitate this inquiry, on the understanding that he files a copy of it later.

Mr. KYTE: It is somewhat irregular.

By Mr. Nickle:

Q. What was the letter?—A. The letter asked how many horses proceeded overseas with the Canadian Overseas Contingent.

Q. What is that number?—A. 442. The establishment was not completed in Kingston; it was completed at Valcartier.

Q. How many had they at Kingston?—A. They had 175, which they proceeded to Valcartier with, at which place they received their complement to bring them up to war standard, which was 442.

By Mr. German:

Q. If this officer at Kingston was asked as to how many horses were sent with the Overseas Contingent it is not likely that he would say 442 when he must have

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known there were 175.—A. He must have misunderstood or he would not have written the letter he did if he had known.

Q. He would surely know the number of horses he had at Kingston?—A. Yes, but he misread the letter.

By Mr. McKenzie:

Q. How do we know that he was wrong in his statement? What have you to check his statement by?—A. We have information in our office.

By Mr. Kyte:

Q. Where is that office?—A. In the Aylmer Annex, on Slater St., opposite the War Office.

Q. Where is the officer who made this report?—A. I think he is in Kingston.

Mr. NICKLE: He is in Kingston.

By Mr. Rhodes:

Q. You have the records in your Department?—A. I have his letter and the record to show the number of horses of the Permanent Force that existed previous to the declaration of war.

Q. You have said there were never that many there?—A. There were never 442 there.

By Mr. Kyte:

Q. The mistake arose through the officer misreading the letter?—A. In my opinion.

Q. If there is any evidence of that kind the officer is the one to give it?—A. In my opinion, he misread the letter.

By Mr. Rhodes:

Q. 442 would be the full complement?—A. Yes.

Q. Now I would like to ask this question. Do you know, as a matter of information in connection with your office, what percentage the British War Office allow for wastage in shipment and gathering together of horses for war purposes?—A. I do not know that; I have heard that discussed all the way from 20 to 2½ per cent from the time they are purchased in Canada until they reach Europe. I have been told that, but I do not know.

By Hon. Mr. Reid:

Q. You have never seen anything official on that?—A. I have never seen anything official.

By Mr. Rhodes:

Q. Have you any computations in your office to show the probable wastage in gathering together and purchasing horses in Canada?—A. No, but I have heard it mentioned and discussed and I have heard it stated that it is extremely low.

Q. Assuming that 96 horses were all dead?—A. That would be a very small percentage, very small, the minimum.

By Hon. Mr. Reid:

Q. You have the horses for the camps in the summer time, have you not?—A. Yes.

Q. And you have a wastage in horses when the camps assemble each summer for training purposes?—A. Oh, yes, we have wastage in all the camps.

Q. Even when they are there only ten days?—A. Yes.

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By Mr. Kyte:

Q. By wastage you mean horses getting sick, do you?—A. Dying or becoming permanently disabled.

By Hon. Mr. Reid:

Q. Have you any idea about what the percentage is?—A. I would not like to say definitely, but as far as I can remember, it would run about 1 to 2 per cent, I would imagine.

By the Chairman:

Q. Over what length of time?—A. Ten days in camp, one day each way, ten days in training.

By Mr. Blain:

Q. And they are paid for by the Government, as shown by the Auditor General's report each year?—A. Yes, they become public horses for the time, and if they are destroyed the owners are paid for their value.

By Hon. Mr. Reid:

Q. How long were these horses at Valcartier?—A. They were there from somewhere about the middle of August, if I can remember offhand, until the last of them went off at the beginning of October.

Q. That would be about six weeks?—A. About that, six or seven weeks.

Q. We have a wastage of 96 horses in that time, in how many horses would that wastage be?—A. That would be in over 8,500 horses.

Q. That practically is 1 per cent.—A. About 1.2 per cent, something like that.

By Mr. Kyte:

Q. There is nothing in the records to tell you how many horses died; have you any records in the Department to show that?—A. These records are with the veterinarian service.

Q. Will you answer that question? Have you any record to indicate how many horses died during the Valcartier Camp?—A. Not that I am aware of.

Q. Have you any record to show how many horses were injured?—A. Not that I am aware of.

Q. Have you any record to show how many horses were stolen?—A. Not that I am aware of.

Q. So that when you said there was a wastage of 98 horses you mean by that there are 98 horses not accounted for?—A. I would not say that, I do not know whether they can be accounted for or not.

Q. You do not know?—A. Possibly they can be accounted for.

Q. And there is nothing in the Department to explain the apparent loss of these 98 horses?—A. I could not answer that.

Q. As far as you have been able to ascertain?—A. No, sir.

By Mr. Rhodes:

Q. These questions of Mr. Kyte had reference to Valcartier, would there be records in the Department showing the wastage at other camps from year to year, Petewawa, Aldershot, and other camps?—A. Yes.

Q. So that there is no question about the records as far as wastage is concerned for the training camps?—A. For the training camps all the records are there.

Q. Now, Major Clarke, you showed that 8,562 horses were accounted for at a certain time?—A. Yes.

Q. Those were the available horses at Valcartier Camp?—A. Yes.

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Q. How do you make up your statement?—A. I showed that 7,911 horses were shipped.

Q. And you have the list of the steamships there?—A. Yes. There were 291 proceeded with the Remount Depot some weeks after the Divisional Force.

Q. 7,620 went as per blue book, and in addition to that there were a number went with the Remount Depot?—A. Yes.

Q. How many?—A. 291.

Q. How about the rest of them?—A. That makes 7,911, and there were sold by public auction in Quebec, 481.

Q. Yes?—A. And there are some 30 horses, I do not know exactly how many.

Q. 34.—A. 34 horses accounted for in Valcartier.

Q. And then the difference is unaccounted for?—A. The difference is unaccounted for, about 130 horses.

Q. It simply amounts to this, that out of a total of 8,562 horses there are 164 that have died, been injured, or have been lost?—A. 164.

Q. And allowing for the 34 that have been accounted for in Valcartier that makes 130 that are not accounted for?—A. Yes.

By Mr. Kyte:

Q. Would you call those 440 odd horses that were sold, wastage also?—A. No, sir.

Q. How do you account for horses costing \$175 each on the average selling at \$54?—A. The horses were sold for the reason that it would be much cheaper to sell them than to put them back into condition.

Q. Would they not be wastage?—A. I would not call that wastage, if we had the means in this country to take care of these horses it would not be.

Q. If a horse had a leg broken, and if you had the means to attend to it and bring him around again, that would not be waste, is that what you mean?—A. That would not be probable.

Q. But it would be wastage if you had to shoot the horse?—A. Yes.

Q. But if you had a horse injured he might possibly recover from the accident?—A. Possibly, but it is not probable.

Q. It is quite possible these horses that were sick could have been nursed back to health?—A. It would cost more to bring them back to health, possibly.

Q. That is quite true. As a matter of fact the total number of horses purchased by the Government was reduced by 481 horses that were sold by auction, and 96 have not been accounted for?—A. Yes.

Q. You cannot properly make any adjustment as to wastage between the 96 horses unaccounted for and the 481 that did not go because they were unfit to ship. Is not that all wastage, as a matter of fact?—A. No, I would not say so.

By the Chairman:

Q. It is all wastage except the \$54 per head for the 481 horses that were sold?—A. Yes.

By Mr. Kyte:

Q. We will reduce this wastage on the 481 horses by the \$54 which they brought at auction and we will still have a considerable wastage. I do not mean to say that there is an absolute wastage of the whole 481 horses, but with the exception of the \$54 which each horse brought they should be considered as wastage?—A. I do not think I should answer that question, sir.

Q. But you are here to give evidence, more or less expert evidence?—A. I am not here to do that.

Q. You gave the opinion here a while ago that the wastage was 2½ per cent, that was speaking as an expert?—A. No, sir, I was asked the question, and I said I had

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heard it was, but I did not give direct evidence to that effect, and I do not know that we have any records in the office to support it.

Q. Then you do not know what would be the proper amount to allow for wastage at Valcartier Camp?—A. No, sir, the conditions vary.

Q. A while ago you stated that 96 would be a very small amount?—A. From what I was told.

Q. But you do not know anything about it yourself?—A. No, I have no information on that point.

By Mr. McKenzie:

Q. Putting the cost of wastage in another way; how many horses became unfit for service from the time they went into camp at Valcartier until the time they were shipped across to the other side?—A. I do not know.

Q. I want to follow that up. Do you regard the 481 horses that were sold at auction, do you regard them as an official of the Department, having something to do with this business, as having become unfit for service?—A. I could not answer that question for the reason that I was not in Valcartier, I never saw these horses with the exception of one shipload; I saw the last ship leave Quebec and saw the horses being loaded. I was never in Valcartier, I never saw the conditions there, and I never saw the horses assembled there.

Q. Perhaps you can answer this: Were there any more horses sent to camp at Valcartier than were intended to be sent across?—A. I cannot answer that.

Q. What is the reason?—I presume as an intelligent officer you can tell us the reason for having sold these horses, why were they sold?—A. I cannot answer that question, not being there, not seeing any of them. It has been stated already.

Mr. MCKENZIE: I asked him the question, were they unfit for service?

The WITNESS: I cannot answer that question. I presume you want my opinion. The reason I give that answer is because I never saw them.

Mr. KYTE: The only man in a position to give that is Colonel Neil who is at the front.

By Mr. Kyte:

Q. Do you know a man named F. B. Keever, who bought horses in Nova Scotia?—A. Never heard of him.

Q. Until this investigation?—A. Just saw his name on the record.

Q. I think we will advertise for him.

By Mr. McKenzie:

Q. I want to justify my existence in this connection. If you should be called upon to produce the records from which you made this compilation, have you got them?—A. Yes.

Q. Will you tell us what they are?—A. I have copies of some letters on the subject that are on the public files; and I have the information as compiled by the Accountant and Paymaster General in the Militia Department as to the number of horses corresponding with the cheques issued in payment of those horses, the names of the various buyers and so on.

By Mr. Boys:

Q. The number of horses?—A. Purchased by each buyer.

By Mr. German:

Q. I would like to see the letter written to the officer commanding at Kingston, asking him for information regarding the number of horses?—A. When shall I bring it?

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Hon. Mr. REID: Bring it this afternoon.

The WITNESS: I will bring both letters, our letter and his.

Mr. GERMAN: Bring them both.

Mr. NICKLE: Mr. Clarke has got a statement about these horses that explains the whole thing.

By Mr. Nickle:

Q. As far as your information goes, what horses are now at Valcartier?—A. 19 horses.

By Mr. Kyte:

Q. Let us understand exactly what this is, if you will be good enough to verify these figures: Horses shipped, 7,911?—A. Yes.

Q. Horses sold, 481?—A. Yes.

Q. Horses accounted for, 19?—A. Yes.

Q. Horses unaccounted for, 151?—A. Yes. Of that 151, 34, I have heard it said, have been accounted for.

Q. In addition to these?

Hon. Mr. REID: That is the ones Giroux reported on.

By Mr. Kyte:

Q. What about the horses shot?—A. They are part of the 34.

Hon. Mr. REID: Leaving 117 horses still unaccounted for.

Mr. NICKLE: There are 134 unaccounted for, I thought, Giroux has accounted for 34.

Mr. RHODES: Some are still in the custody of farmers. And there were two substituted for those drowned, and there is one fractious one that nobody seems to be able to go near.

By Mr. McKenzie:

Q. There were some horses, on hand, before they commenced buying, I understood you to say?—A. 398, sir.

By Mr. Kyte:

Q. That is not all Kingston horses?—A. Some Kingston, some Winnipeg, some Toronto.

By Mr. McKenzie:

Q. Are they included in the 8,000?—A. Yes, sir, in the 8,562.

By Mr. Rhodes:

Q. Are any of these horses still at these places?—A. I do not know.

Witness retired.

Mr. JOHN FRASER, Auditor General, Recalled.

The CHAIRMAN: You are sworn, Mr. Fraser.

By Mr. Kyte:

Q. Have you any records of drugs purchased from Georges Plamondon, for Valcartier?—A. Yes, these are the accounts (hands to Mr. Kyte).

Q. Is there anything in your Department to indicate whether or not tenders were called for these drugs, or in what manner the sale was made?—A. No, nothing.

Mr. JOHN FRASER.

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Q. Who would be the officer to supply this information?—A. The Director of Contracts.

Witness retired.

The CHAIRMAN: I might intimate that there is a telegram here just received from Mr. E. C. Gow, as follows:—

“I regret impossible to be Ottawa to-day, confined to bed through illness.”

Mr. H. W. BROWN, called, sworn and examined.

By Mr. Kyte:

Q. You are the Director of Contracts?—A. Yes.

Q. Did you have anything to do with the purchasing of drugs for the Militia Department for Valcartier?—A. Yes, I think so.

Q. Will you please tell the Committee what connection you had with it?—A. Well, I fear I cannot tell you very much about it, without notice. I could not really say without looking at the papers.

Q. Have you any recollection of the purchase of drugs from Mrs. Plamondon, in Quebec?—A. Well, Mrs. Plamondon was the regular contractor for the supply of drugs to the Permanent Force at Quebec for 1914-15, last year.

Q. Please explain what you mean, was she the regular contractor for the supply of drugs at Quebec?—A. It has been customary for some years past to make contracts for a term of twelve months with the local druggists for the supply of drugs and medicines to the various stations of the Permanent Force. The contract is made generally with the local druggist.

Q. By private order?—A. The prices are fixed by the Department and the contractor is asked if he will undertake to supply at these prices; the prices are fixed by a Board of Medical men in the Department.

Q. You are speaking of the general practice now?—A. I am speaking generally, and the arrangement with Madame Plamondon was just one of those.

Q. For what force did she supply drugs, and when did she begin?—A. Last year.

Q. Before the war?—A. That will be the usual Permanent Force detachment stationed at Quebec.

Q. Would you be able to say offhand about what that would amount to?—A. I may say I would not know, for the reason that the accounts do not pass through my hands; I have only to do with the making of the contract. The accounts are certified to by the medical man there, and it would be paid either by the local Paymaster or sent up here to Headquarters.

Q. Of course it would be a very small order compared with the drugs that were required for Valcartier Camp?—A. It would be small, probably much less, but you must remember that arrangement was for twelve months, and the Valcartier Camp only lasted six weeks.

Q. But take the amount for the whole order it was very small compared with the goods that were required for Valcartier?—A. Yes.

Q. When it became necessary to order drugs for the Valcartier Camp, was there any different system adopted, were new prices obtained or was the usual practice of the Department carried out?—A. Yes, I know we did not get new tenders, but I am afraid I cannot say anything positively because I do not remember the order for Valcartier at all, and I can hardly say unless I get the papers.

Q. Would you have correspondence in your Department relating to it?—A. Yes, no doubt there would be correspondence.

Q. You say there is a Board whose duty it is to fix the prices for these articles?—A. Yes.

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Q. Who constitute the Board that fixes the prices for the drugs that were required at Valcartier?—A. I am speaking now of the prices that were fixed at the beginning of the year, this was the only arrangement in so far as the Valcartier Camp is concerned. I fancy it would have been done under that arrangement, because we had a contract with Madame Plamondon and the order was probably given at contract prices—I could not say, but I am assuming it was.

Q. Who were the members of that Board?—A. It would be a board of medical men selected by the Director General of Medical Service and the last board before the Valcartier Camp would be probably some time in March, I could not say now who composed the Board but it would be a Board of medical officers selected by Colonel Jones, I suppose.

By the Chairman:

Q. By Colonel Carleton Jones?—A. Yes, he is the Director General of Medical Service.

By Mr. Kyte:

Q. And he is now at the front?—A. Yes; the file will show that no doubt.

Q. Then as far as you know, when these goods were required for Valcartier Camp an order was sent to Madame Plamondon, she having the contract down there to supply the local permanent force?—A. Yes, that is probably what was done. I will look up the papers and let you know more definitely, Mr. Kyte.

Q. Would you have a record there of the men who comprised that Board?—A. Oh, yes.

Q. Will you be prepared to come to the next meeting of the Committee with all this information?—A. Yes.

Witness retired.

Committee adjourned.

AFTERNOON SITTING.

House of Commons,

Room 211,

Tuesday, March 6, 1915.

The Select Standing Committee on Public Accounts met at 3 p.m., Mr. Morphy presiding, in the absence of Mr. Middlebro', the Chairman.

Mr. H. W. BROWN recalled and examined.

By Mr. Kyte:

Q. What papers have you now?—A. You asked for the report of the Board of Officers; I have that. I have also the papers in connection with the contract for the supply of drugs at Valcartier camp; and also the contract first made with Mrs. Plamondon.

Q. Who were the Board?—A. (Consults papers) Lt.-Col. A. T. Shillington, Quartermaster and Captain E. D. Storey, and Quartermaster Lt. H. D. Adair. These are three officers of the Army Medical Corps.

Q. That is the Board that had to do with the purchasing?—A. No, the Board that had to do with fixing the prices.

Mr. H. W. BROWN.

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Q. When was this Board appointed?—A. They assembled on the 19th and 23rd of February, 1914.

Q. Is that the first time they came together as a Board?—A. Yes, it is just a temporary board.

Q. They were appointed particularly for this purpose?—A. Yes, they were simply appointed for that particular purpose.

Q. Did they pass upon Mrs. Plamondon's prices at that time?—A. No, they simply passed on the contract prices for the supply of drugs and medicines to the Permanent Force generally. They supplied us with a price list in accordance with which the contracts were afterwards made with the different druggists throughout Canada.

Q. Will you submit that price list, if you please?—A. The price list is here (hands file to Mr. Kyte). That list, by the way, was amended, they amended it later on; they made some few changes later on in that list; it is a pretty long list, it covers several hundred different items.

Q. We will not put it in. There was a change made, you say. Will you tell me where the change is?—A. (Examining file) They met again on the 27th March to reconsider the price of drugs, and so on.

Q. 1914?—A. Yes. And they reconsidered and made new prices for, I think, five different items of the lot, vaccine, etc. It is eight items altogether, only just a few.

Q. Have you a copy of the contract entered into with Mrs. Plamondon?—A. Yes. (indicating on file). This is her tender and this is our acceptance of the tender, (hands to Mr. Kyte).

Q. (Reads)

OTTAWA, March 31, 1914.

SIR,

I am directed by the Minister in Militia Council to inform you that your tender for the supply of Medical drugs to the Permanent Force at Quebec for six months beginning on the 1st day of April, 1914, has been accepted at the prices stated on the tender form.

Any information which you find necessary to enable you to properly fulfill the contract may be obtained at the office of the O. C. 5th Division.

I have the honour to be, sir,

Your obedient servant,

H. W. BROWN,

Director of Contracts,

For Deputy Minister of Militia & Defence.

Mrs. G. P. Plamondon,
122 St. Joseph Street,
Quebec, Que.

Now, this refers to the prices stated on the tender form?—A. The tender form is right next, it is in printed form, and the prices follow.

By the Chairman:

Q. Have you a copy of that printed form?—A. No, the price list, I am afraid I have not.

Q. Can that be spared to put upon the record?—A. I would rather not. There should be a copy made; I will have a copy made.

By Mr. Kyte:

Q. As I read the acceptance, I had better read the tender, (reads).

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TENDER FOR MEDICAL SUPPLIES.

(To be made in Triplicate.)

Wednesday, the 26th day of March, 1914.

To the Honourable the Minister of Militia and Defence, Ottawa.

SIR,—I, the undersigned (hereinafter called "the Contractor"), hereby propose to furnish His Majesty the King, for the use of the Militia stationed at Quebec, with the drugs, medicines, and hospital supplies specified in the accompanying schedule marked ".A," for the period of six months beginning on the first day of April, 1914. or, should there be no longer any necessity for the use of these articles, then for such other period less than the said six months, and of such kinds, in such quantities and at such times as may be requisitioned for by the Administrative Medical Officer; subject to the conditions hereinafter set forth, and at the prices fixed in said Schedule "A."

And I further undertake that this offer shall not be retracted or withdrawn within thirty days after the date of this tender, but shall remain binding and may be accepted at any time during the said period of thirty days.

And I make this tender upon the understanding that it is to be submitted to the Minister of Militia and Defence for his approval, hereby agreeing in the event of such approval being notified to me to consider it as binding on me as a formal contract.

CONDITIONS OF THE CONTRACT.

1. All Drugs, Medicines and Hospital Supplies, if not otherwise specified, are to be of the best quality obtainable in the local market and of the P.B. Standard.

2. Free local delivery of the supplies herein contracted for shall be made by the Contractor at such times and places and in such quantities as are specified in the requisition of the Administrative Medical Officer.

3. Containers are not charged for and shall be returnable to the Contractor.

4. The Contractor agrees to supply any other drug or preparation not specified in the accompanying list, at a discount of 15 per cent off the ordinary local retail rates.

5. If the Contractor shall fail to deliver any of the articles requisitioned for, as and when directed, the Administrative Medical Officer may purchase such of the articles as may be deficient, and shall charge the Contractor any extra expense incurred on account thereof, and may deduct such sum from any money then due, or that may thereafter become due, to the Contractor, under this or any other contract.

6. If any of the articles furnished by the Contractor are not of the quality specified they shall be refused, and the Administrative Medical Officer may purchase articles of the proper quality to be paid for as provided in paragraph 5.

7. The contract value of the supplies will be paid by the Minister of Militia and Defence quarterly. Accounts, in duplicate, duly certified to by the Medical Officer shall be prepared on the prescribed form, and the receipts of the Receiving Officer must be attached as vouchers. If the supplies are delivered by freight or express, the express or freight receipt must accompany the account.

8. The Minister of Militia and Defence may terminate this contract at any time, by giving one month's notice to the contractor to that effect; or

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immediately, at any time, should the Contractor become insolvent, or in the event of repeated irregularities by, and complaints against, the Contractor.

9. This contract shall not be sub-let or transferred without the written permission of the Minister of Militia and Defence.

10. Under the provisions of the statute in that behalf, the contract shall be subject to the express condition that no member of the House of Commons of Canada shall be admitted to any share or part of such contract, or any benefit to arise therefrom.

(Sgd.) G. P. PLAMONDON,

122 St. Joseph, Quebec.

Attached to that is a list of prices. Could you tell the Committee, Mr. Brown, what was the amount of goods supplied by Mrs. Plamondon during that period of six months for which the contract provided?—A. No, I could not.

Q. Is there anything among the papers?—A. To tell the quantity?

Q. Yes, the value of the goods.—A. I could not, because my business—

Q. This contract was for six months?—A. My concern ends with the making of the contract. The Accounting branch could tell you.

Q. Was there any other subsequent contract made with Mrs. Plamondon since that date?—A. That was a contract for the supply of drugs and medicines to the Permanent Force at Quebec.

Q. The ordinary supplies to the Permanent Force at Quebec?—A. Yes. Would you let me have file again, Mr. Kyte (examines file). I notice here just in passing, that there was later correspondence further amending the prices on some items. I was notified by the Director General of Medical Services that certain amendments should be made in these prices with the contractors throughout Canada. We invited—

Q. What was the nature of the amendments —A. This circular letter was sent on 22nd of April to two contractors at Quebec, and I believe all others.

By Hon. Mr. Reid:

Q. All others as well —A. Yes. This circular letter to all contractors throughout Canada (Reads).

DEPARTMENT OF MILITIA AND DEFENCE

GENTLEMEN:

Will you please make the following amendments to your contract prices for the supply of medical drugs to the Permanent Force at Quebec:—

And then follows a list of 21 different drugs.

By Mr. Kyte:

Q. What is the effect of the change upon the prices? Did it change the prices?—

A. It is a change of prices.

Q. How were the prices affected by the changes?—A. Just a moment—

By Hon. Mr. Reid:

Q. That is April, 1914?—A. Yes. Now, that followed on a letter from the officer commanding the 5th Division at Quebec, dated the 14th of April. That was from the

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officer commanding the 5th Division to the Secretary of the Militia Council at Ottawa (reads):

"SIR,—I have the honour to forward, herewith, copy of communication received from the contractor for the supply of drugs at this station, the contents of which are self-explanatory, and to state that while the contractor does not refuse to supply the points at the contract price—

That is vaccine points, that refers to only one of these things (reads):

—"he asks that he be excused doing so at their present price in view of the wide difference in the contract and wholesale prices of these articles.

Might I therefore ask that instructions in this connection be given please?

I have the honour to be, sir,

Your obedient servant,

J. P. LANDRY, *Colonel*,
Commanding 5th Division."

Q. That was the letter?—A. This is the same date, the 14th of April, addressed to Major Clarke, P.A.M.C., Quebec:

"SIR,—I would like to call your attention to the fact that the price quoted on contract for vaccine points at 77 cents for 10 points is exactly half the cost price of same; as Parke Davis quotes 75 cents for case of 5 points, we are quite willing to supply the points at that price, but are unable to do it at 77 cents per 10 points. No firm in Canada could do it, and we hope that you will take same into consideration, and beg to remain,

Yours,

(Sgd.) G. P. PLAMONDON,

—A. I might say there are two or three other letters written by other contractors from elsewhere in Canada complaining of the same thing. This was really a typographical error made by the Board of Officers in the first place; that is this letter of the 22nd of February is in effect correcting the typographical error by the other Board of Officers.

Q. That was before the contract was made with Plamondon on the 22nd of February?—A. This is the 22nd of April, not February. Really all the importance that should be attached to this particular letter is that this Board found they had made some mistake in regard to the price they fixed for some of the articles, the price being less than the wholesale price, and several of the contractors objected to this and in consequence of their objections the Board revised their prices and then amended the list on, as I say, some 12 or 15 articles.

Q. What reasons were given for the change in price on the other items? You have explained the reason why the price of the vaccine points was changed?—A. I could not tell you about that, I am speaking from memory when I say that there were objections from other contractors.

Q. That was as to vaccine points?—A. No, no other articles, and the complaints came from other sources, not merely from Quebec. I remember that there was one from the contractor in Victoria; one contractor would take objection to one item and another to another item. All these objections were referred to the Director of Medical Service and as a result of those objections he amended his prices for fifteen or twenty different articles.

Q. And the amendment was in the direction of increasing the prices?—A. I think it was, it was mostly in that direction.

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By Mr. Rhodes:

Q. Was there any difference in the purchasing for Valcartier, or did you purchase on the contract for Quebec?—A. All we had to do with it was incidental. I was told, or rather the medical officer in Valcartier was told to buy his drugs from Madame Plamondon, and I understand he was to buy at contract prices.

Q. Those prices that you have there are in respect to the contract with Quebec?—A. Yes, her contract price would govern until some change had been made; changes were actually made and the contract prices were increased upon application as shown in her letter in September.

Mr. RHODES: We want to be careful not to take the Quebec contract into consideration, because that has not been referred to us except insofar as it is the basis upon which the charges for the goods supplied to Valcartier were made.

The CHAIRMAN: The witness has already said that in some places the prices charged the Valcartier Camp were higher than the original contract price. Is that right?—A. Yes. Really I should not be talking about this thing at all because, as I said a few minutes ago, my connection with the contract for drugs, not only in Quebec but anywhere, is done the moment the contract is executed. A copy of the contract is sent to the local medical officer and presumably he checks the contractor's account with the contract and he certifies to the account. In the ordinary course the account never comes to me at all. It would only be occasionally that anything incidental to the account would come before me and it seems to me that you should get the information that you want from the medical officer here.

Q. What is his name?—A. Major Jacques or Major Potter. They are the controlling officers and correspondence would be mostly carried on between them and the local medical officer on the spot. I couldn't tell you much about it.

By Mr. German:

Q. Was there an increase of price on the original contract?—A. This is the only contract she ever signed. Will you let me read a telegram which will show the arrangement under which the drugs for Valcartier Camp were ordered? I have a telegram here dated August 17, 1914, addressed to the Officer Commanding 5th Division Quebec.

"Supply of drugs required Valcartier Camp may be procured from contractors for permanent force, Quebec."

That is signed Director of Contracts. That is marked with the approval of the Deputy Minister.

By Mr. German:

Q. At what price?—A. There was nothing absolutely about that and that is the reason I say there was no special contract made.

Q. Were the prices at which Madame Plamondon was to supply the drugs for the Valcartier Camp increased above the price mentioned in her original contract?—A. Yes, Madame Plamondon refused to do so, and wrote me a letter objecting to supplying the drugs at those prices, and giving reasons therefor. That was referred to the Director General of Medical Service.

By Mr. Rhodes:

Q. Have you that letter here?—A. Yes, it is right here (reads):

Mr. H. W. BROWN.

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QUEBEC, August 29, 1914.

H. W. BROWN, Esq.,
Director of Contracts.

DEAR SIR:

You will please find enclosed a memo. that will show you the difference of prices now and at the time of contract.

Of course, neither you nor I could see what was ahead of us to raise price of goods as they have raised.

I think that it is in your power to change the prices by letter to me according to the market price. You would confer a favour by dating these small changes in prices from August 1, 1914.

By doing so you will oblige very much,

Yours very truly,

Mrs. G. P. PLAMONDON.

Plamondon's Pharmacy,
122 St. Joseph St.,
Quebec.

That is the 29th August.

By Mr. Rhodes:

Q. Does it mention their list?—A. Yes.

By Mr. Kyte:

Q. You had better give the list?—A. I am sorry I cannot read this list; I am not a druggist, I am not a doctor. I could not read it.

Q. Can't you detach it from the files for the purpose of putting it in evidence?
—A. That is why I say really—

By Mr. Bennett (Simcoe):

Q. How many items are there, about?—A. There are 17.

By Mr. Rhodes:

Q. If we can only get at the point of the inquiry, that under prices were paid, we could pick out individual items, and go over them.

The list was handed to the Hon. Mr. Reid who read it to the Committee.

The CHAIRMAN: We had better have a copy of it.

The WITNESS: The whole sheet could be copied.

PRICE LIST.

	Prix Coutant.	Prix du Contrat.
Eau de roses	\$0.32	\$0.25
Camphre	1.00	.80
Syrop. Tolu	2.80	1.00
Lard Benzoate	1.14	.90
Paraffine dure . . . . .	.30	.20
Ong. Mercure	1.20	.65
Nitrate Mercure90	.65
Chlor. Mercure inm	1.10	.80
Syr. Scille45	.20

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	Prix Contant.	Prix du Contrat
Vin Ipecac	1.35	.60
Spt. Chloroforme	3.75	3.25
Syr. Tolu56	.20
Sub. Nit Bismuth	3.75	3.00
Tr. Opium	4.25	1.75
Ac. Carbolie . . . . .	.65	.35
Spt. Ether Nitreux	1.25	.75
Alcohol pur	5.78	5.25
Increase, per cent.		
Quinine	25	
Asperin	50	
Witch Hazel	33 $\frac{1}{3}$	
Aqua Rosae	33 $\frac{1}{3}$	
Ext. Reglisse	25	
Ti. Camphor	25	
Ti. Iodi	25	
Ti. Zingiber	25	
Ol Gaultheriæ	150	
Ac. Hydrochloric	25	
Camphor	125	
Lin Aconit	25	
Lin Belladonne	25	
Lin Camphor	25	
Vin Ipecac	25	
Sub. Nitrate Bismuth	400	100 per cent (Red ink)
Salol	100	50 per cent (Red ink)
Castille Soap	50	
Formaldehyde	10	
Ac. Carbolie	100	50 per cent (Red ink)
Methyl Spirit	25	
Rect. Spirit, according to war tax.		

By Mr. Kyte:

Q. What was the reply to that?—A. That was referred to the Director General of Medical Services with the note "Is this application fair and reasonable" dated the 1st September, 1914, he answered, that is Major Potter for the Director General of Medical Services, answered on the 5th September as follows (Reads):

"The application for increase in price of drugs would appear to be fair with exception of articles noted, and changes so noted are marked in red.

The prices on account, Plamondon, were compared with local lists."

That was approved by the Deputy Minister.

By Mr. Rhodes:

Q. You are quoting now from a letter of Major Potter?—A. Yes, he was acting for the Director General of Medical Services.

Q. The Director General being absent in England?—A. Yes.

Q. What are the exceptions?—A. There was an exchange of correspondence on that.

By the Chairman:

Q. The exceptions are marked in red?—A. (Reads) "Changes so noted are marked in red." There were three items, I think.

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By Mr. Rhodes:

Q. Let us have those.—A. I am not sure; I know I was in doubt about it at the time; I was in doubt whether the amount of changes—it is three: Bismuth, Salol, Carbohc Acid.

By Mr. Kyte:

Q. Increases were not allowed on these three items?—A. I do not think they were allowed. Just one minute.

By the Chairman:

Q. The increases were fair excepting those three, but not necessarily allowed or disallowed up to this stage?—A. That was sent to Mrs. Plamondon by letter dated 14th September (reads):

“Dear Madam:

I beg to acknowledge receipt of your letter of the 29th ultimo, and in reply to inform you that authority has been granted for the changes in your contract prices for the supply of drugs, as per the list enclosed herewith.”

By Mr. Kyte:

Q. All the increases were allowed?—A. The letter says: “As per the list enclosed herewith.” I have not a copy of that list here, but as I understand it that list was sent, modifying these three.

Q. But you do not know?—A. No, except that I remember we had an exchange—The CHAIRMAN: Mrs. Plamondon may have the list.

Mr. KYTE: We have the list here, I suppose these are all the accounts (indicating invoices produced by the Auditor General).

By Mr. Kyte:

Q. What do you say as to that? that all these increases were allowed or what number were allowed?—A. I cannot say positively. My understanding of it would be that the increases were allowed with those three exceptions.

Q. What three?—A. Bismuth, Salol, and Carbohc Acid.

Q. Had you any further requests from Mrs. Plamondon for increase of prices?—A. Yes.

Q. Was any other druggist given an opportunity to furnish these goods at the old prices?—A. No.

Q. There were no new offers asked for from any druggist?—A. No, it has not been customary for years to get competitive tenders in these drugs.

Q. Has it been customary in recent years to give such large orders?—A. The contract rests altogether with the station.

Q. At Quebec?—A. At Quebec. I really cannot say, because I don't know anything about it.

Q. This order for Valcartier, amounting to \$24,800, was not that an unusually large order?—A. I never saw the accounts.

By Hon. Mr.-Reid:

Q. In so far as the purchase of these drugs for Valcartier is concerned, did you follow out the same policy that has been carried on for the last ten or fifteen years?—A. Yes.

Q. Is that the same policy at every place in Canada where there is a permanent force?—A. Yes.

Q. You had no knowledge of what the total contract would be at the time?—A. No, could not possibly.

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Q. Do you believe the prices paid Mrs. Plamondon were as low as paid in any other part of Canada?—A. I cannot say, because I do not know anything about it.

Q. Were they fair and reasonable in your opinion?—A. I would rather have that—

Q. By the officers recommending?

By Mr. Kyte:

Q. When was the next request made by Mrs. Plamondon for increase of prices?—A. (Consults documents) This would appear to be a case of that sort, although I cannot be sure. It is not a letter addressed to me, I have never seen it before today, from Lt.-Colonel W. H. Delaney, the Deputy Assistant Director of Medical Services, Quebec, dated the 13th of October, addressed to the Director General of Medical Services, Headquarters, Ottawa (reads):

“Sir:

I have the honour to forward attached herewith, a list of cost prices of certain articles, compared with the contract price for same, and to recommend that the contractor's request, that the cost price of these articles be granted instead of the contract price.

These increases are all due to the war.

I have the honour to be, sir,

Your obedient servant,

WILLIAM H. DELANEY, *Lt.-Colonel.*

D.A.D.M.S., 5th Division.

Q. What items are referred to there?—A. The list does not appear to be attached. The Director General of Medical Services replied to that on the 15th October, as follows (reads):

“Please note that the drugs mentioned may be obtained at the prices in lead pencil on the attached list.”

Apparently the list was sent to the Director General of Medical Services, who annotated in the margin the prices that they made; they were approved, and sent back to Colonel Delaney again. In some places there appears to be two prices quoted for the same article; one place Aromatic Spirits it looks like, 70 cents, and another place \$1.55; Spirits of Ammonia—

Q. Is that the price asked by Mrs. Plamondon, \$1.55?—A. I cannot say; this is correspondence I never saw before. He is referring to a list I have never seen, so far as I know. All I can do is to read you the letter.

Q. Who is the Director?—A. That is signed by Major Potter.

Q. Where is he?—A. He is here in town; he is the Director of Medical Services.

Q. You can state from the correspondence what further requests there were, that is the third instance.

Mr. GERMAN: No, the second.

The WITNESS: That was away back in April.

Hon. Mr. REID: A year ago, in 1914.

By Mr. Kyte:

Q. That is after the contract was made with Mrs. Plamondon?—A. That is really referring, as far as I make out—

Q. To vaccine points?—A. Yes, and that was apparently a typographical error.

Q. Well, leave that out. That is the second request from Mrs. Plamondon to increase the prices?—A. Yes. On the 19th October Mrs. Plamondon wrote me (reads):

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"Dear Sir,—

You will find enclosed in my last price list, for to prove the change in prices on account of the war.

For example, to Spt. Amm. Aromatic cost price, first increase to 70 cents, some days after to \$1.55, later on to \$1.80. The other drugs are all in proportion in raise of prices."

I understand that means they are costing her more (reads):

"All the orders given were heavy ones, and always in a great hurry for goods and I had to send the goods without finding the prices of the wholesale houses. As a rule we always find out the prices before doing business, as the wholesale houses differ at intervals, but in this case, as I said above, there was no time to see to anything, but deliver at once.

The difference in prices delay payments and I assure you I want it just now, as money is hard to be got at present time, and I trust that you will be able to see your way to settle everything for me."

By doing so, you will much oblige.

Yours truly,

PHARMACIE G. P. PLAMONDON,

122 St. Joseph St.,

Quebec.

Per Mrs. G. P. P.

Q. So these goods were not supplied at wholesale prices, but at retail?—A. That is a question Major Potter will be better able to answer. Of course this Board of Officers fixed the prices, and I understand they took the price list and put a certain percentage on that.

Q. What was the reply?—A. There is a memo. here for the Director General of Medical Service dated the 29th of October:—

"Will you please hasten payments of these accounts as per Deputy Minister's Minute. Do you recommend increase asked for."

She asked for payment, of her account and she asked for an increase in the prices, and this is passed on with a recommendation that the account be paid and an inquiry whether he recommended the increase. On the 26th of October he replied:

"These accounts are now being checked. There appears to be a considerable increase above both contract price and market quotations in the cost of the various items so that the account had to be carefully gone over. The account will be forwarded immediately the checking is finished."

That is signed by Major Potter for the Director General of Medical Service. Then on the 27th of October, a letter was sent to Madame Plamondon.

Q. Stating that the increases were granted?—A. No, no. Merely saying that the Director General of Medical Service was working on her accounts and that they would be passed for payment as soon as the checking was finished. She was not told the prices were increased.

Q. What was she told subsequently?—A. On the 25th of November, Major Jacques sent me a Minute.

"I think that the prices in the new contract should be governed by the present ruling market quotation. This will enable the contractor to make a fair increase in his prices on the articles which have been advanced. Kindly pass file to the A.P.M.G. for payment of account."

Mr. H. W. BROWN.

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Q. That is in reference to the demand for an increase you have just read?—
A. Yes.

Q. And that was granted?—A. Oh, no, I cannot say what was granted. Major Jacques may have checked all these prices, I do not know.

Q. Was there any further request from Madame Plamondon for an increase?—
A. Not that I know of, I haven't seen any; in looking over those papers I haven't noticed any.

Witness retired.

Madame PLAMONDON called, sworn and examined.

(Evidence given in French and interpreted by Oscar Paradis.)

By Mr. German:

Q. What is your business?—A. A druggist.

Q. Are you a certified druggist under the laws of the province of Quebec?—A.
I was a year with the druggist.

Q. You are carrying on business as a druggist?—A. Yes.

Q. Whose business is it?—A. It is mine and my children's. The business is in the name of me and my children of whom I am tutrix.

Q. Was your husband a druggist?—A. Yes.

Q. And you are continuing the business your husband had?—A. Yes

Q. How long has your husband been dead?—A. Five years.

By Hon. Mr. Reid:

Q. Have you carried on that business during the five years?—A. Yes

By Mr. German:

Q. Have you any partner in the business?—A. No.

Q. You entered into a contract with the Government early in 1914 to supply drugs and medical supplies at a certain price?—A. Yes.

Q. Why did you increase the price of drugs supplied at Valcartier Camp?—A. Because the war caused an increase in prices up to 400 per cent on certain drugs.

Q. What about the higher prices you charged, do you consider them fair and according to the market price?—A. They were according to the market price at that time.

Q. When you asked for an increase in the prices specified in your original contract what reason had you for asking for that increase?—A. Because the drugs cost me much more than I used to pay for them, and more than I used to sell them for.

By Hon. Mr. Reid:

Q. Did you also increase your prices to the public?—A. Certainly.

Q. On all the articles upon which you asked an increased price from the Government did you also increase your price to the public?—A. Absolutely, to the very same extent.

By Mr. German:

Q. Did you have these drugs on hand or did you go into the market and buy them when you received the order?—A. I had part of them in stock, and part of them I had to buy in the open market.

Q. What supplies did you have in stock?—A. It is very hard to say now that six months have elapsed, just what portion of the supplies I furnished to the Government I had in stock at that time.

Madame PLAMONDON.

By Hon. Mr. Reid:

Q. Was it only on those articles that you had not in stock you asked an increase in price?—A. More on the goods that I had to buy than on what I really had in stock.

By Mr. Kyte:

Q. What is the value of the stock you usually carry, the average value of the stock carried in the store?—A. Approximately \$5,000.

Q. And what was the total amount of goods you supplied to the Government in 1914?—A. About \$23,200 and some odd dollars.

Witness discharged.

Major JACOB LESLIE POTTER, called, sworn and examined.

By Mr. Kyte:

Q. You are employed in the Militia Department?—A. Yes.

Q. What is your position there?—A. I am Major in the Canadian Army Medical Corps.

Q. And you have to do with the purchase of drugs?—A. Not with the purchase.

Q. What have you to do with it?—A. Such supplies as I require I make out a requisition for.

Q. Are you a medical man yourself?—A. Yes.

Q. You and Major Jacques constitute a Board, I understand?—A. Major Jacques is the Acting Director General of the Medical Service, and I am in the office with him.

By Hon. Mr. Reid:

Q. As his assistant?—A. Just temporary in the office.

By Mr. Kyte:

Q. Do you remember fixing the prices of the drugs supplied to the garrison at Quebec, which were submitted to you in March last?—A. I was not in the office then.

Q. Did you have anything at all to do in the matter of fixing the price of drugs supplied at Valcartier?—A. No, but I may say that the accounts, for checking, passed through our office.

Q. Mr. Browne stated some time ago that you and Major Jacques fixed the price which was to be paid by the Department for drugs supplied at Quebec, is that true?—A. It was fixed by the Department; the price for the yearly contract was fixed by the Department.

Q. You had nothing to do with that at all?—A. No.

By Mr. Nickle:

Q. Subsequently the prices were raised for the Valcartier Camp?—A. Yes.

Q. Did you have anything to do with that?—A. Only in so far as we recommended the accounts for payment.

By Mr. Kyte:

Q. There were three requests made from the contractor in Quebec, as I understand it, for an increase in the prices. I want to know if you dealt with these applications and what you recommended?—A. May I see the correspondence?

Q. They are in this file, look at that letter of August 29th (file handed to witness). Was that letter submitted to you?—A. It was submitted to the Director General of Medical Service, that is Colonel Jones, I think he was here on August 29th.

Q. Do you remember whether you dealt with that or not?—A. I do not think so.

Q. Will you turn up another request there in the month of September, the first of September.—A. I see up to the 22nd of September Colonel Drum's initials are there, showing that both he and Colonel Jones were here at that time.

Major POTTER.

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Q. So that these applications previous to the 26th of September were not dealt with by you?—A. Previous to the departure of Colonel Jones, the Director General, we had nothing to do with them.

Q. I think there is an application for an increase subsequent to that date; it is in November, I think, about the 14th of November.—A. This one signed by Major Jacques, the Acting Director General.

Q. What is the date of that request?—A. November 25th.

Q. That was not dealt with you at all?—A. No.

Q. So that, as a matter of fact, you did not report upon any of these applications for increased prices?—A. Not previous to November 25th, as far as I can see.

Q. And, of course, you had nothing to do with fixing the prices upon the contract with Madame Plamondon.—A. What was the date of that contract?

Q. There was a contract entered into between the Department and Madame Plamondon on the 14th of March last to supply drugs to the Permanent Force in Quebec and a schedule of prices is annexed thereto by the Department. You had nothing to do with that?—A. No.

Q. Who would be the man to give us information in reference to that; is there any person in the Department?—A. This Minute of the 25th of November refers to prices that were the basis for a new contract.

Q. The 25th of November of what year?—A. 1914. Major Jacques dealt with it.

Q. Will you please read that.—A. (Reads):

"I think that the prices in the new contract should be governed by the present ruling market quotations. This will enable the contractor to make a fair increase in his prices on the articles which have advanced."

Mr. GERMAN: It seems that the prices were all authorized by some person in authority. The only question is are the prices reasonable and fair.

By Hon. Mr. Reid:

Q. How long have you been in the employ of the Militia Department?—A. Since 1907.

Q. Do you know of your own knowledge whether prices of medical supplies have advanced since the war?—A. Much.

Q. They have advanced much since August 4th, the date the war commenced?—A. Yes.

Q. Have you any idea about what percentage the advance has been?—A. The advance has been very great, but the percentage varies so that it is very difficult to say what the average would be.

Q. You mean there has been a general increase in medical supplies throughout the Dominion?—A. Yes, and I can refer you to the last Board which was held.

Q. Was that when the readjustment of prices had to be made?—A. Yes, I might read you the last clause (Reads):

"We recommend that owing to the prevailing market conditions, resulting from the present war, these prices should be considered as holding good during the next four months only. We recommend further that this list should be subject to revision at the end of this period."

Q. What is the date of that?—A. That is dated the 15th of March.

By Mr. Rhodes:

Q. That is the recommendation of the Medical Board?—A. It is not a medical board, it is a board composed of one Army Medical Officer, one officer of the Medical Stores, and a Retail Druggist.

Major POTTER.

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Q. Have they that clause attached to the existing contract?—A. That would not be attached to the contract, it merely was a recommendation by the Board that these prices for the contracts be revised four months hence.

By Mr. Kyte:

Q. Do you know anything as to increase in prices during the month of August? Mr. MORPHY: The witness is speaking of 1915.

Hon. Mr. REID: Mr. Kyte is speaking after the declaration of war.

By Mr. Kyte:

Q. Have you any personal knowledge of any increase in drugs up to the 19th of August?—A. There was disorganization of the market immediately after the war, so that some prices went up a great deal.

Q. Could you specify the particular articles?—A. I could not, without getting a price list, but any drug house issues a bulletin that would give you that information.

Q. Did you have anything to do with passing upon Mrs. Plamondon accounts that were submitted to the Department for supplying these drugs?—A. I had to do with the checking of them.

Q. Did you look over these prices to see whether they were fair and reasonable and in accordance with the contract?—A. Yes.

Q. I see here there is one gallon of whisky at \$9. Do you remember noting that?—A. (Witness examines documents) On the 15th September, that was previous to the sending of the first contingent. I had nothing to do with checking that account. It was paid before that.

Q. What would you say as to that price, a charge of \$9 for a gallon of whisky?—A. It might be a druggist's price.

Q. What do you say yourself as to the reasonableness of that price?—A. I could not say off-hand.

Q. You do not know what is the price usually charged for whisky?—A. I could not tell by the gallon.

Q. You did not certify to this account at all?—A. I never remember seeing an item like that, because when I see whisky or brandy I send it back, it is supposed to be supplied by the Army Medical Corps.

Q. You would not pass an item charged for whisky in the accounts?—A. Knowingly I would not pass one.

By Hon. Mr. Reid:

Q. Do you know whether, since the war, it has been impossible to procure certain drugs?—A. We heard so early in the war, but since that, supplies have come to hand that were not available earlier.

Q. The prices that were charged by Mrs. Plamondon since the war, do you consider them fair and reasonable, those that were passed by you?—A. The correspondence in connection with some of the accounts shows what I considered about them at the time.

By Mr. Kyte:

Q. Is there any correspondence of yours in that file?—A. There would be no correspondence probably under my name, it would be under the name of the Director General of Medical Services.

Q. You would have been a party to the correspondence yourself?—A. I would have looked into the matter carefully before I submitted it, yes.

Major POTTER.

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By Hon. Mr. Reid:

Q. If the prices were not fair and reasonable you would not have passed the account?—A. Every effort was made in the office to see that no price was allowed that is higher than it should be.

Q. That was done in Mrs. Plamondon's case?—A. Mrs. Plamondon's account was very carefully gone over, and subsequent accounts too.

By Mr. Kyte:

Q. You say you would not have that account for whisky passed at all?—A. Yes, but I can quite easily understand from the condition that prevailed at Quebec they might have wanted whisky urgently in the hospital and got it.

Q. You will not undertake to say whether \$9 a gallon is a fair price?—A. I won't undertake to say that.

By Hon. Mr. Reid:

Q. Is it not a fact, in the case of an article of that kind, for a hospital, you have to get the very best article made?—A. It is supposed to be the best.

Mr. KYTE: We will have to get evidence that it is the very best before we can prove anything by that.

By Hon. Mr. Reid:

Q. These were delivered at Valcartier?—A. (Witness examined documents.) This has been signed by the Medical Stores at Quebec.

By Mr. Kyte:

Q. Not at Valcartier. Do you know who is the officer who certified these accounts?—A. (After examining.) Major J. T. Clarke.

Q. Where is he at the present time?—A. In France with the first contingent.

Witness discharged.

Major E. E. CLARKE, re-called.

Hon. Mr. REID: Major Clarke is here with the correspondence. (Produced.)

The CHAIRMAN: (Mr. Nickle) (Reads):

OTTAWA, February 18, 1915

From The Quartermaster General
Canadian Militia.

To the Officer Commanding
3rd Division, Kingston, Ont
Militia Horses
3rd Division.

SIR,—I have the honour, by direction, to request that a return of the horses on the strength of the Permanent Force which went abroad with their units may be forwarded to Headquarters at as early a date as possible.

I have the honour to be, Sir,

Your obedient servant,

D. A. MACDONALD, Major General,
Quartermaster General.

Major E. E. CLARKE.

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DEPARTMENT OF MILITIA AND DEFENCE.

KINGSTON, ONT., March 8, 1915.

From the Officer Commanding 3rd Division,
To the Secretary, Militia Council,
Ottawa, Ont.

Militia Horses,
3rd Division.

SIR,—Having reference to H. Q. letter of the 6th instant, relative to the subject noted in the margin, I have the honour to state, for the information of the Minister in Militia Council, that a reply was forwarded to H. Q. on the 26th ultimo in this regard, and in which was stated that 442 horses were on the strength of the R. C. H. A. when this unit proceeded overseas, and that one horse, No. 590, went abroad with the C. P. A. S. C., 1st Contingent.

These are the only units of the Permanent Force in this Division, which took horses.

I have the honour to be, Sir,

Your obedient servant,

T. D. R. HEMMING, Colonel.
Commanding 3rd Division.

MR. KYTE: That does not throw very much light on the number of horses sent.

MR. RHODES: The request was as to how many he had at Kingston, the reply is as to how many went abroad.

HON. MR. RED: He says what left from Quebec.

By Mr. German:

Q. Let us just get this compiled statement in correct shape. Horses purchased, 8,164; horses Permanent Force, 398. That is in excess of the horses purchased?—A. Yes, they were owned by the Government.

Q. Total, 8,562. Horses shipped 1st Division, 7,911?—A. Yes.

Q. Horses sold at Quebec, 481?—A. Yes.

Q. Horses died, lost, drowned, and otherwise unaccounted for, Valcartier and Quebec, 151?—A. Yes.

Q. Horses in Valcartier accounted for, 19, making a total of 8,562?—A. That was merely compiled for my own information. There is a difference of 151, and I had no means of arriving at these figures otherwise than assuming on my own part, that that was the cause of the difference.

Q. That 151 disappeared?—A. That 151, yes. Well, we have accounted for a number of them since.

Q. As a matter of fact, there is in excess of 19, twenty-five more, because I believe there are 34 accounted for?—A. We have made a return to the House, stating so many died, and so on.

By Mr. Kyte:

Q. All you feel like saying now is that that number disappeared before any had been recovered?—A. I do not know anything about it. I do not know where they are.

MR. NICKLE: All Major Clarke says is that there is 170 horses for which he can give no account.

Major E. E. CLARKE.

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By Mr. German:

Q. Here are a couple of letters that I am free to admit I do not understand. You write a letter to the officer commanding 3rd Division at Kingston, requesting "a return of the horses on the strength of the Permanent Force which went abroad with their units." Now, is T. D. R. Hemming the officer commanding the 3rd Division at Kingston?—A. Yes.

Q. The letter that you have here dated 8th March, is not a reply to the letter of the Quartermaster General's, because his letter is dated the 18th of February, and Colonel Hemming's letter is a reply to one of the 6th of March?—A. When I was figuring 442 as credited to the Permanent Force at Kingston, I knew at sight it was an error; and looking through the file I saw these two letters as the authority for that figure being placed in the statement.

Q. This letter of the 8th of March from Colonel Hemming is to the Secretary of the Militia Council?—A. Yes.

Q. And not addressed to the Quartermaster General, and it refers to a reply sent to Headquarters on the 26th of February?—A. It is the same thing. We can get you that.

Q. This letter states that 442 horses were on the strength of the R.C.H.A. when this unit proceeded overseas. Were there 442 horses on the strength of the R.C.H.A. when it proceeded overseas?—A. I presume so, sir. I was not there. I know there were not that many in Kingston, because we never bought that many.

Q. It is evidently a mistake. He is giving what went overseas and not what there was at Kingston. I think that can be very easily understood. He was giving the strength of the R.C.H.A., and not the strength of the Force at Kingston, which is required by this letter.

By Mr. Nickle:

Q. Colonel Hemming was asked to state the number of horses on the Permanent Force at Kingston?—A. Yes.

Q. Have you any evidence to show what horses were shipped from Kingston to Valcartier?—A. I have a copy of a telegram to the Assistant of Transport at Quebec to provide for 175 horses shipped from Kingston on such and such a date with the Artillery.

Q. And that represents the horses on the Permanent Force?—A. In Kingston.

Q. After the Batteries got to Valcartier, they were brought up to war strength. and their horses considerably augmented?—A. Drawn from the remount depot at Valcartier.

Q. And it is that that Colonel Hemming's reply refers to?—A. Yes.

Witness discharged.

Committee adjourned.

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HOUSE OF COMMONS,

ROOM 211,

WEDNESDAY, April 7, 1915.

The Select Standing Committee on Public Accounts met at 11 a.m., Mr. Morphy, presiding, in the absence of Mr. Middlebro, Chairman.

The Committee proceeded to the further consideration of "Sessional Paper numbered 122 of the present session of Parliament and all other papers in relation thereto, being copies of correspondence between the Auditor General and the Department of Militia and other departments of the Government, laid upon the table of the House in respect to expenditures under the War Appropriation Act" referred to them by the House.

Hon. Mr. REID: I understood yesterday that we had finished the investigation into the purchase of binocular glasses. If that is so, I wish to move this Resolution (Reads)

"The Committee have had under consideration the purchase of binocular glasses for the Canadian Expeditionary Force, and beg to report to the House the evidence and documents in connection therewith. From the evidence it appears that in the main the glasses were of superior quality, and were purchased at reasonable prices, but that a limited number of them were of poor quality, and of low range and inferior efficiency, but passed inspection and were paid for at an excessive price, and that this was due to misrepresentation and inadequate inspection. It therefore recommends to the House that the said evidence and all documents connected therewith be referred to the Department of Justice with instructions to enforce restitution and to take such further proceedings as the law will permit."

I am anxious that the evidence we have taken so far be submitted to the Department of Justice, and also any further investigation, that may be necessary in the interest of justice, and that the Department should take any action that may be necessary.

Mr. KYTE: Why not make a recommendation that the matter be referred to the Department of Justice without making any comments. I am afraid there are some statements in the Resolution that are likely to arouse differences of opinion. By all means report the evidence to the House and have the matter referred to the Department of Justice, but I scarcely think it would be wise at this moment to incorporate in the Resolution matters which may possibly be the subject of difference in this Committee.

Hon. Mr. REID: The Committee will remember that we have only investigated 166 glasses out of ten hundred and some odd that were purchased. The Government, I may say, want the whole thing investigated. The Department of Justice, by the passage of this Resolution, will be in a position to take action so far as this, or any other matter, in connection with the purchase of binoculars is concerned. It is quite apparent from the evidence already taken, that many of the binoculars purchased were first-class glasses.

Mr. KYTE: Some of them were.

Hon. Mr. REID: Some of them were, and therefore we must not condemn the whole of them.

Mr. KYTE: We do not propose to condemn at this stage.

Mr. GERMAN: I would not want to have it go on record that in the main the binoculars purchased were of a superior quality. Strike out those words so far as I am concerned I will be satisfied. I do not want it to go on record that in the main these glasses were of a superior quality, because I do not think they were.

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Mr. KYTE: Out of 166 supplied by Birkett, Mr. Ellis swore there were only three glasses of first grade quality.

Hon. Mr. REID: Glasses supplied by Birkett?

Mr. KYTE: Yes.

Hon. Mr. REID: But this does not deal with Mr. Birkett's purchase alone, it deals with the whole binocular question.

Mr. KYTE: We investigated only the glasses supplied by Birkett, Bell and Brown. Why should we commit ourselves as to the quality of the balance of the glasses purchased when we have no evidence as to whether they were or were not of a superior quality? I think it is not fair to ask this committee to express any opinion as to the remainder of the binoculars.

Hon. Mr. REID: How would you regard changing the wording to "a certain number."

Mr. GERMAN: I think we had better leave the question of the quality of the glasses out altogether.

Mr. KYTE: The only evidence we have is that three glasses were of superior quality.

Hon. Mr. REID: Then say "some of the glasses."

Mr. KYTE: I would say "three."

Mr. RHODES: If any of the remainder had been of inferior quality it would have been investigated before this committee.

Hon. Mr. REID: We do not want to condemn the whole purchase. I would like to get the phrasing of the resolution right.

Mr. KYTE: Why say anything at all?

Mr. GERMAN: Why not say that a large proportion of these glasses were of inferior quality?

Mr. RHODES: That is not true.

Mr. GERMAN: The bulk of them were inferior.

Mr. NICKLE: I would like to point out that the committee has not investigated the 1,018 glasses.

Mr. KYTE: This committee has been sitting at high pressure for the last three weeks. We have not been making a thorough inquiry into anything at all, but have simply been scratching the surface of this investigation. We are asked to commit ourselves as to binoculars, the character of which we do not know anything at all. The balance of the binoculars may be first class, they may be absolutely perfect and good value for the money, but why ask us to commit ourselves upon it when there is no evidence at all.

Hon. Mr. REID: The point is to get the matter before the Justice Department as soon as possible so that it can take action.

Mr. RHODES: The committee may be working at high pressure, but I want to draw attention to the fact that we adjourned over Saturday and on Monday, and several other evenings at the request of members of the Opposition. If they have only scratched the surface it is because they did not take advantage of their opportunities. I think that should be stated in justice to the Government. Now, if honourable gentlemen want to dig deeper we will sit a few weeks longer.

Mr. KYTE: In answer to my friend, Mr. Rhodes, who appears to be a little sensitive on this point, I would say that we have been holding three sessions a day for the last fortnight. Mr. Maclean moved that this correspondence be referred to the Public Accounts several weeks ago. The Prime Minister was not in a position to give an answer—I have no fault to find with that—but he delayed for two weeks before he decided whether or not these matters should be referred to the committee. They were referred, and we took advantage of the time allotted every day; but in the face of all

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our exertions, in view of the fact that the House is holding three sittings a day, it was absolutely impossible for us to sit all the time here when we had other matters to attend to. It was for that reason we asked that the committee should not sit on Monday or Saturday. Mr. Rhodes has no right to say we are shirking our duty in that respect. We are quite willing to sit every day if necessary.

Mr. RHODES: I do not want words put into my mouth. I did not say you were shirking your duty, I say you endeavour to leave the impression with the country that the surface of the Inquiry has only been scratched. I say if that is the case it is your own fault.

Mr. KYTE: I repeat, it has only been scratched.

The CHAIRMAN: If this investigation has only been scratched, then it is about time the Department of Justice took it in hand.

Mr. GERMAN: The object of this motion is to give the impression to the country that this Committee finds the glasses are in the main first class.

Hon. Mr. REID: Oh no, it is not.

Mr. GERMAN: The evidence shows that in the main not only were the glasses not first class, they were not even fourth class.

Hon. Mr. REID: I do not think it is fair to make that statement. I have submitted the motion and we are now discussing it in order to see whether we can phrase it satisfactorily, and get it before the Justice Department as soon as possible. In the main the glasses were superior, and were purchased at a reasonable price. So far as I am personally concerned I believe that is what the evidence says. But you do not agree with me. Supposing we drop that out and put it this way: "From the evidence it appears that a limited number of them were of a poor quality."

Mr. GERMAN: Not a limited number; the bulk of them were of an inferior quality.

Mr. MCKENZIE: What evidence have you that any of them were good, but the evidence of an official of the Department who is suspended now?

Hon. Mr. REID: So far as the evidence is concerned, so far as my judgment of it is concerned, these are the only ones that are inferior; and from the evidence of the officials and Mr. Ellis the others were all right. That is my opinion of it. If there is any doubt in the mind of Mr. German or of any other member of the Committee, and if you can assist this Government to find out where there are any others that are inferior, we want to stay here and do it.

Mr. KYTE: I think we have done it. Mr. Ellis did not know what kind of binoculars Birkett supplied to the Department except from the invoices. He admitted from the invoices he received no information as to their quality. Then he inquired from Col. Hurdman who gave him a reply which put him off the track. When he was presented with Birkett's invoices there were three only that came up to the standard, three Bausch & Lomb glasses invoiced at \$37.50.

Mr. NICKLE: I think the Minister of Customs and Mr. Kyte are at cross purposes. As I understand Dr. Reid, he is dealing with the entire situation, the purchase of all the glasses bought by Ellis. If I understood Ellis' evidence it was that, with the exception of the Birkett glasses, he was satisfied with the quality we got; but that with the Birkett glasses he was satisfied that with the exception of three pair, the quality was not good. Now, if I understand Dr. Reid's resolution it is to this effect: that practically all the Birkett glasses were not up to quality, but that he takes Mr. Ellis's evidence as to the balance for what it is worth and says that, as there has been no evidence to the contrary, the assumption is reasonable that they were up to quality; but that the entire Birkett contract, with the exception of three pair, was defective. If you can put that in any other language you had better do it.

Mr. KYTE: According to Mr. Mason and Mr. Ellis, they bought binoculars in Vancouver, Victoria, Calgary, St. Louis, St. Paul, Chicago and other Western cities. With the limited time at our disposal, it is absolutely impossible for us to think of getting witnesses from British Columbia here. We did not do so because there are

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other matters that are pressing. The glasses may all be of excellent quality, and the pressmen will not take down any statement to the contrary here to-day. But the investigation was confined entirely to those 166 pairs of glasses.

Hon. Mr. REID: We do not want to commit ourselves to that; we do not say 166; but we say a limited number; it does not mean the whole binocular purchase, you understand, and I think you will agree there were a lot of them, there must have been a lot of them that were all right, they were passed by the inspector.

Mr. KYTE: Ellis did not say that.

Hon. Mr. REID: He is responsible for their being all right.

Mr. KYTE: Why is the Inspector suspended? Is there not some doubt as to whether he discharged his duty?

Hon. Mr. REID: Certainly.

Mr. KYTE: Why should we accept his inspection at all?

Mr. GERMAN: Why press this matter this morning? We have other evidence to go on with.

Hon. Mr. REID: I supposed the case would be through.

Mr. GERMAN: It may not be. We may find other evidence.

Hon. Mr. REID: I understood yesterday this case was closed.

Mr. BLAIN: I think the Committee would agree with this motion in the main. As I understand it it is a motion moved by the Minister asking that this whole matter, with its strong points and its weak points, be submitted to the Justice Department for investigation. I am quite sure the members of the Committee would not object to that.

Mr. KYTE: There is no objection to that,—

Mr. MCKENZIE: If it is going to the Justice Department why should we make any finding at all, except that it go there?

Mr. BLAIN: I do not think that anything we say will prevent the Justice Department from making a thorough investigation of the matter. This is the resolution:

“The Committee have had under consideration the purchase of binocular glasses for the Canadian Expeditionary Force and beg to report to the House the evidence and documents in connection therewith.....From the evidence it appears that a limited number of them were of poor quality and of low range and inferior efficiency.....”

To that nobody would object I am sure.

Mr. KYTE: I would object.

Mr. GERMAN: When you say a limited number you admit they are practically all up to the standard.

Mr. BLAIN: My point is that we say a limited number because we only investigated a limited number.

Mr. KYTE: Let us say so: Three out of 166 investigated were of a superior quality.

Mr. BLAIN: In respect of Mr. Hurdman's suspension, it may be remarked that Mr. Hurdman appeared before the Committee in connection with other matters, and there was damaging evidence given in the Committee in respect of other matters that may have been the cause of his suspension. I am not quite sure, I do not know.

Mr. MCCREA: Why not only say a limited number were examined and that a majority of these were inferior?

Hon. Mr. REID: Is there likely to be any more evidence? If there is we will let this stand. If not, I would like this worded so that it would meet all views.

Mr. GERMAN: I may call a witness from Ottawa regarding 4 glasses supplied.

Hon. Mr. REID: I was going to suggest this: From the evidence it appears that a number were of poor quality and of low range, and inferior efficiency, but passed inspection and were paid for at an excessive price, and that this was due to misrepresentation and inadequate inspection.

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Mr. GERMAN: There is to my mind no rush about getting that motion.

Hon. Mr. REID: Not at all. The only reason is that yesterday we all agreed this was ended. As you made that statement this morning we will let it stand. I want also to make this statement, with reference to the housewives that Mr. German spoke about. I received a letter this morning from Mr. Stewart McClenaghan. (Reads):

OTTAWA, April 7, 1915.

Hon. Dr. REID,
Minister of Customs,
City.

DEAR SIR,—I see by the *Morning Citizen* that our firm has been most foully slandered by a Mr. German in the Public Accounts Committee. I hope you will see that we have an opportunity to repudiate this slander before the Committee as soon as possible.

Yours respectfully,

THE 2 MACS LIMITED.

Per STEWART McCLENAGHAN.

I think under the circumstances we had better get Mr. McClenaghan here. I also notified Mr. H. W. Brown that we would want to examine him in connection with this. I wrote him as follows: (Reads)—

OTTAWA, 7th April, 1915.

DEAR SIR,—We intend calling on Stewart McClenaghan this morning, with regard to the purchase of 100,000 Housewives at 53 cents. You will be required to give evidence and will want to bring with you all documents in connection with this transaction, such as contracts, tenders, etc., and you should be in a position to discuss it from the point of view of prices of other firms. I am writing in order that you may get yourself thoroughly posted so that you may give the Committee full information.

As you have heard stated in the Committee, the Government is anxious to investigate fully every case concerning which there may be any question. For that reason this matter having been mentioned by Mr. German, we want the fullest investigation possible into it. I do not know if this matter will come up at 11 o'clock this morning, as there are other witnesses with whom we did not finish yesterday, but I think the matter will come up before one o'clock. Please hold yourself in readiness in order that we may send for you. I wish you would also send me at once here to my office this morning, a sample of the Housewives for which you paid 53 cents, in order that I may take it to the Committee

Yours faithfully,

J. D. REID.

H. W. BROWN, Esq.,
Director of Contracts,
Department of Militia and Defence,
Ottawa."

Mr. GERMAN: This gentleman writes a letter saying he has been slandered by a member of this Committee. I leave it to the Chairman that there was no question of slandering about it. I made the statement that a report brought down to the House showed that Mr. McClenaghan's company had received 53½ cents each for 100,000 housewives, and that I had been instructed that the value was nearly 100 per cent below what they were charged. If that is a slander, then any statement any public man might make would be a slander.

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Honorary Colonel WM. McBAIN, re-called.

My Mr. German:

Q. You were to produce before this Committee some options, were you not; some documents as to the purchase of lands at Valcartier?—A. I do not think that was requested of me, I think I told you I would have the options and all necessary correspondence here, but I do not think I was requested to do so.

Q. Is it not here now?—A. Yes, I have it all here.

Q. As to the payments for damage to crops?—A. Yes.

Q. Now did you have money placed to your credit by the Government with which to make purchase of land, and to pay damage to crops?—A. No, no money was ever placed to my credit for damages or for land. I paid it out of my own pocket when it was necessary. I took official receipts. I gave my cheques and I submitted my claims to the Government. Not in many cases, only in cases where it was necessary, where a man really needed the money, and where he required it I paid a certain amount on account, and then submitted the claims to the Department. They have valuers to determine the amount of damage done and when the valuation had been made the cheques were sent down to me, made out in the name of the party, the farmer, and in my own name; I would endorse it and if there was anything coming to him I would pay him the difference.

Q. You say you gave your own cheques?—A. In some instances, not in all, mind you.

Q. In about how many cases did you do that?—A. It would be pretty hard to say how many there would be in all, sometimes it would be fifty dollars or a hundred dollars and in two or three cases I paid it in full. These are all original documents and I would not like them to pass out of my hands, but I will be glad to give you any information if there is any particular one you would like to know about.

Q. In the case of a man named McLaughlin,, for instance?—A. There are two or three McLaughlins, which one.

Q. Hugh McLaughlin?—A. Hugh McLaughlin, yes, he was paid on the 9th of October, 1914, \$550, in full settlement of all damages and crops.

Q. Did you give your own cheque?—A. My own personal chèque.

Q. And you had no moneys placed to your credit by the Government to pay these claims?—A. Yes, I had money placed to my credit, but it was not used for that purpose, probably some of it was because it was put in my account in Quebec. I had certain men employed in Valcartier that I had to make payments to.

Q. You may be a wealthy man, and I do not know that it is any of our business at any rate, only it seemed to me rather strange that you would be paying damages to the farmers of Valcartier out of your own pocket?—A. I would not need to do it except in a case where a man said he needed the money, and in some cases where they refused to sign without the money, and I had to get two or three men to go over the property first to see if it was satisfactory before payment. Here is what I did (reads):

"We, the undersigned valuers, officially appointed to value the damages caused on farms (with the exception of buildings and chattels) in the Parish of Valcartier by the movements of the military forces at that place, do hereby value the total crop damages of all kinds caused on and to Lot No. 21-22-62-63, the property of Hugh McLaughlin, at \$550.00.

(Signed) JOHN M. CRAIG,
ARTHUR E. McBAIN.

I hereby approve of the above valuation, and agree to accept the said amount, \$550.00, in full settlement of all claims for crop damages, of any and every nature whatsoever.

(Signed) HUGH McLAUGHLIN."
Colonel McBAIN.

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Q. Now, Mr. Thomas Neil, how much did he get?—A. Thomas Neil was paid by two cheques. Here is the report in his case. (Reads)

"We the undersigned, valuers appointed for the purpose of ascertaining the damages to farm Number 70 owned by Thos. Neil have estimated the damages at \$640.00. We recommend that this amount be paid and no more.

(Signed) D. C. NIXON.

ARTHUR E. McBAIN.

JOHN M. CRAIG.

And then on September 24: (Reads)

"Received from William McBain the sum of \$100 on account part payment for damages to my crop."

And also: (Reads)

"Received from William McBain the sum of \$600 on account of part payment on account of my crop damages.

THOMAS NEIL."

By Mr. Nickle:

Q. That makes \$700?—A. Yes, I know, he is overpaid \$60.

By Mr. German:

Q. Out of your own pocket?—A. Yes.

Q. And you were reimbursed by the Government?—A. I have not yet, I have not received anything of what was overpaid. I have only received \$640, my secretary keeps a record of it.

Q. Are you experienced in regard to land values?—A. I have had over fifteen years' experience, I have been dealing in land for the last fifteen years.

Q. In what capacity?—A. In the Right of Way Department of the Canadian Northern Railway.

Q. And you have been valuating?—A. I have been valuating land for land companies, and for railroad corporations since 1900. Even if I do say it, I do not think there is any man in the country that has any greater experience than I have had in making land values.

By Hon. Mr. Hughes:

Q. Have you any experience on your own account?—A. I have bought, I suppose, 250,000 acres myself and I have examined it practically all myself.

By Mr. German:

Q. For how many years have you been land valuator for the Canadian Northern?—A. I have been valuating for them directly and indirectly since 1902.

Q. For the Canadian Northern?—A. Yes.

By Hon. Mr. Hughes:

Q. Did you ever make valuations for the Canadian Pacific Railway?—A. Yes, I did. In 1898 I made valuations for them and I have been called upon many times for expert evidence in connection with claims, etc.

By Mr. German:

Q. Would you be good enough to tell me how much money had been placed, or was placed to your credit by the Government?—A. My secretary says about \$13,000.

Q. Was it not \$18,000?—A. \$13,000.

Q. You get that information from your secretary?—A. Well, just offhand, that is the amount, you remember that that was the total amount I received during my time at Valcartier for paying off the men.

Colonel McBAIN.

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Q. And for paying land damages?—A. No, all the land damages I paid out of my own pocket, in many cases.

Q. That is what I cannot understand why you did it; the Government had plenty of money and they were placing money to your credit?—A. Yes, but first of all we had the work to do at Valcartier and that took up a great deal of my time. A man would come in whilst I was there and see me in connection with the damages to his crops and I would advance him \$100 or \$200 on the amount. Then we would have to get the valuers and get them to value the damages, and then submit the matter to Ottawa and it takes a little time to get things through up here; these men would be out of their money pending action of the Department here and the damages had gone on two and three months sometimes before they would get their money. It happened at the time that Tom Neil wanted the money and I paid him out of my own pocket.

Q. And when the cheque came through the Government you would have it made payable to yourself and him, you would both endorse it and you would reimburse yourself out of the money?—A. I never did that myself, but my secretary or somebody who was looking after matters for me, would. I only got it back last week, so I am out of pocket on that.

By Hon. Mr. Hughes:

Q. Does the Government own you any money now?—A. I think they do—for Mr. German's information I may say that I advanced the Government \$32,000 to take care of their options.

By Mr. German:

Q. Philanthropy?—A. I had to do that to hold the options.

By Hon. Mr. Hughes:

Q. You know the people and you know the locality?—A. I know the people and I know the locality.

By Mr. Kyte.

Q. How are you to be compensated for the work that you are doing?—A. The arrangement I had with the Department before the war broke out was that I was to be allowed a commission of 5 per cent for purchasing the land.

Q. What was the total of your purchase?—A. It is pretty hard to say.

Mr. McKENZIE: I protest against that sort of evidence. The witness cannot when asked a question turn around and consult his secretary, and then reply, "My secretary tells me so and so."

WITNESS: I will give an estimate, is that right.

Mr. McKENZIE: It is absolutely wrong. You are on your oath and you must give evidence yourself of what you know of your own knowledge, not what some one else tells you.

Debate followed.

By Mr. Kyte:

Q. No, I would like to get the exact amount or as near it as you can give it?—A. An estimate?

Q. No, I would like to get the exact amount or as near it as you can give it?—A. At 2 or 3 o'clock this afternoon I will give it to you. I have it here but it is not totalled. Here is the statement, we have secured a valuation and must take the valuation because all the properties are not closed.

By the Chairman:

Q. Why not put in a copy of that statement? Is there any objection to that?—A. There are a lot of notations here.

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By Mr. Kyte:

Q. Cut those off in the copy?—A. I will prepare a copy of it.

Q. Can you not give us some idea of the total value?—A. Here are six sheets here, you can get the total by adding it up.

By Mr. German:

Q. What about Alex. Aikins?—A. (Reads):—

"We, the undersigned, valuers, appointed for the purpose of ascertaining the damages to farm number Pts. 140 and 141 owned by Alex. Aikins have estimated the damages at \$650. We recommend that this amount be paid and no more.

(Signed) D. C. NIXON,
ARTHUR E. McBAIN,
J. M. CRAIG.

"I, Alexander Aikins, accept the sum of \$650 in full settlement of all damages against Lot Numbers Pts. 140-141.

(Signed) Alexander Aikins
x his mark

Witness: D. C. Nixon".

Q. \$625?—A. \$650 here.

Q. You write the amount as having been \$625.—A. \$650.

Q. It is in the return here, \$625. No, I am wrong; I apologize, it is \$650. Did you pay the \$650 out of your own pocket?—A. I do not think we paid all that; I think a portion was paid, and the balance came from the Government. (After reference to papers). It was all paid.

Q. All paid by you individually?—A. I paid \$150, and the balance came from the Department.

By Mr. Boys:

Q. Were your payments made before valuation?—A. Just about the time the valuation was made. The valuation would be made early in the morning, and in these circumstances he would come to my office.

Q. I suppose you found by adopting that method that you could do the business more satisfactorily?—A. I was trying to save as much as possible.

By Mr. German:

Q. Look up the case of Adam Aikins, please.—A. What is it that you would like to know?

Q. How much was his compensation, and if it was paid by you individually.—A. I paid \$50 on account of damages; his total damages amounted to \$450. In that case we have the cheque, and have had it for some time. When I settled for his crop damage I also bought his farm. I paid \$2,600 for his farm, and \$450 for his crop damages. The crop damages at \$450 were part of the consideration for the farm, making in all \$3,050, I think it was. Now, the reason we could not pay that over, was that we found that he has no title to the land, and therefore we cannot pay this money; at least I would not take the responsibility of paying it over. The Department of Justice will not accept the title, or rather the agent of the Department at Lorette refused to pass the title. It seems there are two or three or four who have claims against the farm. There is no will, and the children are putting in claims. Just as soon as he gets the title, he will not only get the \$450, but the \$2,600 for his farm.

By Mr. Kyte:

Q. The commission for your services includes commission on damages?—A. No, sir, I get nothing at all on damages.

Colonel McBAIN.

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Q. You get 5 per cent for—A. On the purchase price alone; I am not charging the Government one cent for the damages.

Q. When did you commence inquiring into the titles of those lands?—A. I started in about midsummer of 1912. Probably I had better give you a little history in connection with this, so that you will know. After meeting the General, as I said the other day, he asked me to make inquiry and see whether the land could be purchased. I did, and I found—

Q. It was the intention of the Department at that time to maintain a permanent camp at Valcartier, quite irrespective of the questions that arose—A. That is understood. I am not in a position to say that, but I understood that is how it was. So I went down there some time about the middle of June, and discovered that I could purchase this property at a reasonable figure. I notified General Hughes, and he said to try to take up the options. I returned to Valcartier in a few weeks, around September I should think, and I discovered when I arrived that options had been taken on a large amount of this land; so I came back and reported. I said: There is something happened; there is a leak somewhere. Options have been taken, and I refuse to deal any further. He said: You are right. I must admit he was pretty hostile over it. However, he said he would investigate the whole matter. He had, he said, two or three other places in mind. He asked me to go down and look them over. I did. I went down to two or three places between here and Quebec, and I reported against them; I did not think they were right; that is, proper places for a camp. It would cost too much to prepare the land, and if it was cleared it would be unsuitable; it was too broken, so the thing dropped; and the options, so far as I could make out, were taken for a period of six or eight months. They expired the following May. In June, or July that year I started taking options again—

By Hon. Mr. Hughes:

Q. What were your instructions when you found that options were taken; what were your instructions from the Department, from me?—A. To drop everything, not to have anything to do with it. I asked whether I could deal with the men who held the options, and you said, no.

By Mr. Kyte:

Q. What happened after that?—A. So we started, and in or around July I succeeded in getting quite a number of options.

Q. The other options had lapsed?—A. In the spring, in May or June, and I filed the plans; I think it was about the 12th September, on or about the 12th September, because by that time I found that while I did not have all the options, if I was going to acquire the property I did not have to do that, because they were starting to come in and offering higher prices and trying to get the options over my head.

Q. You are prepared to tell the committee at three o'clock the total amount?—A. Estimated by the valuers. I made a valuation of this property and submitted it to the Department. I think you will find it in the return.

Mr. GERMAN: \$87,000.

The WITNESS: A subsequent purchase enlarged the area after the war broke out.

By Mr. Kyte:

Q. What is the total amount according to that return?

Mr. GERMAN: \$87,075.

—A. The next would be an addition of \$140,000 I think, but I will give you the exact figures.

By Mr. German:

Q. You were to get 5 per cent commission on it all?—A. Yes.

Colonel McBAIN.

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Q. Is not 5 per cent on the purchase of land just double what the real estate men get?—A. Not for farm lands.

Q. They get only 2½ per cent?—A. Where?

Q. Through Ontario.—A. Well, I never did; and if you want to know, I would willingly give some money to get out of it altogether. It is a fact that since 1912 I have spent most of my time up there.

Q. I have heard real estate men state in court that they only got 2½ per cent?—A. 2½ to 5 per cent, that is what I have been getting.

Q. Five per cent on mining property?—A. 5 per cent on lands; many a time I have paid more than that on my own.

Q. There is \$87,075 mentioned in this return, and you say there was \$140,000 in addition?—A. I say I think; I will give the exact figures at three o'clock.

By Mr. Kyte:

Q. You say that 5 per cent is the usual amount of commission paid on farm lands, but this was not an ordinary case of purchasing a farm?—A. Why not.

Q. It was a case of a large number of farms located in one particular place, which were to be purchased by the Government.—A. Yes.

Q. You spoke of 5 per cent being the ordinary commission for selling farms. That is where a man sells one farm, or two or three.—A. I have paid as high as 5 per cent on 5,000 acres myself, and I do not see any reason why—

Q. Which consisted of one farm?—A. Several, many a time.

By Hon. Mr. Hughes:

Q. How many times have you gone over this property?—A. Well, I have been spending my time down there since 1912; I do not know how many times.

Q. Was your work facilitated by the people down there?—A. I have been hampered on every side in making those purchases.

Q. There was a gentleman by the name of Robertson who was quoted here the other day as having written a letter finding fault with you for not settling matters. Have you had any experience of that gentleman assisting you?—A. I have met him on several occasions.

Q. Tell us what occurred on one occasion.

MR. KYTE: How does this come in as evidence—a conversation between the witness and the man Robertson?

HON. MR. HUGHES: I want to find out what difficulties he had. Robertson was claiming to act for one of those people.

WITNESS: I think he was acting for quite a number.

By Hon. Mr. Hughes:

Q. How did Robertson object to your settlement; what stand did he take in the settlement?—A. Well, I do not know just what he said.

By Mr. Kyte:

Q. He was representing his clients I suppose?—A. Certainly he took a strong stand against allowing them to settle with me.

By Hon. Mr. Hughes:

Q. By what authority?—A. He claimed to have certain influence.

MR. KYTE: What took place between the witness and Robertson is not evidence. Call Mr. Robertson himself.

WITNESS: I think he is here.

MR. BOYS: I should think a conversation with a solicitor is just as admissible as a conversation with a client.

Colonel McBAIN.

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By Hon. Mr. Hughes:

Q. What influence did Robertson threaten you with?—A. He said he had a certain influence with Sir Wilfrid Laurier, that he would be able to get it through for those men.

By Mr. German:

Q. According to the statement reported to the House of Commons, and your own statement now that \$140,000 was paid for land besides, that would make \$227,000 odd, and 5 per cent commission on that would be \$11,350?—A. Yes.

Q. That was the commission you were to receive?—A. Round about that I think. I have not got it but hope to get it.

Q. \$11,350 for buying about 10,000 acres?—A. I should think about 14,000 altogether.

Q. All in one locality?—A. Yes.

By Hon. Mr. Hughes:

Q. Does that include anything else? How many times did you have to go over these lands and value them?—A. Not only that, but I made independent valuations and paid men out of my own pocket so as to make certain that my valuations were right when I submitted them to the Government. I have had a man down there for over a year, that I paid \$125, a month to, to look after the interests of the Government, if you want a full statement of what it cost I will be pleased to give it to you. I have devoted myself for practically the last year and a half to this business.

By Mr. German:

Q. Did you ever get \$11,350 commission before?—A. I have made as high as \$25,000 in a business deal.

By Mr. Kyte:

Q. Do you make anything in deals with General Hughes?—A. Not one dollar.

Q. How long have you known him?—A. Since 1902, I think.

Q. In the Canadian Northern?—A. No, I met him by accident in Winnipeg in 1901 or 1902.

By Mr. Blain:

Q. Is there any considerable number of claims unsettled?—A. There are several.

Q. Both as to land and crop damages?—A. Very few crop damages. There are just two or three we cannot come to terms on, because I think they are asking more than they are entitled to.

By Mr. Boys:

Q. Do you know how many damage claims there were for crops?—A. Yes, I have a list of them too.

Q. I would like when you come at three o'clock if you will give us that information too.—A. I suppose the damage claims run about fifteen or twenty thousand. I am not submitting any claim for that.

By Mr. Davidson:

Q. How did the price you actually paid compare with the price now?—A. The price is four times as high now as when I first took the option.

By Hon. Mr. Hughes:

Q. Through the influence of these gentlemen?—A. I can prove it from actual options that were taken the original options that were taken by these men. The owners were made to understand that if they gave the options to those men—

Colonel McBAIN.

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By Mr. Kyte:

Q. How do you know that, did your secretary tell you?—A. No, sir.

Q. You say, "They were made to understand." It would be better to have those men called here?—A. Certainly, quite right.

By Hon. Mr. Hughes:

Q. Were the options that were taken by the parties who got in behind you higher than the price you got the land for?—A. They were higher than I actually paid for the same land after the options actually expired.

Q. Higher than you could have got the same land for, but for the influence of this organization?—A. Yes, very much higher.

By Mr. McKenzie:

Q. I don't quite understand the difference between the land and the crop damages, you were practically buying the crop on the land?—A. Oh, no, they were two separate deals altogether. When the war broke out we had to go in and occupy the land. If there were crops on it they had to be harvested. In some cases they were harvested and we had to pay damages.

Q. Have you these options?—A. Yes, everything is here for you to see at any time.

By Mr. Blain:

Q. Are your services in connection with the settlement of crop damages included in the 5 per cent commission?—A. That was never discussed. I made no charge for that at all, that was part of my work at Valcartier.

By Mr. McKenzie:

Q. I am still of the opinion that if you go to a man and take his farm, and he has a crop on it, it makes no distinction as to what you have to pay him?—A. I would like very much if I could have done that, but in some cases their prices and mine did not agree. So I made a settlement for the crop. I could not make a settlement for the land because I would not pay them what they were asking.

Q. It is all the one thing?—A. It is not all the one thing at all.

Q. That may be your view?—A. That is my view.

Q. If you are buying a farm as a result of the war you are buying the land and must have the crop as well?—A. Quite right, but if you cannot make a deal for the land then you must make an estimate of the damages.

Q. But ultimately you must pay for this as one thing?—A. One thing?

Q. Yes, the farmer has land and he has the crop?—A. Yes.

Q. You must get both?—A. Yes.

Q. Why call one thing damages and the other price?—A. For the simple reason that we went in and cut their crop. That was damage to their farm.

Q. You took it and you had to pay for it?—A. Yes.

Q. And you took the land and you had to pay for it?—A. I will eventually, as soon as we come to terms.

Q. What is the difference?—A. Quite a wide difference.

Mr. BOYS: He might never get the land.

The WITNESS: I would just bear out that gentleman's statement. In some cases we damaged the crop just outside the area. We did not take the land so we had to pay the damages there to a certain extent you see.

By Mr. McKenzie:

Q. If you damaged the crops and did not take the land, that would be damages, but not so where you were taking a certain area and there was a crop on it.—A. If you buy that land with the crop, you must make a certain estimate as to the damages caused that farm.

Colonel MCBAIN.

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Q. There is the price of the crop and the price of the land. I don't see why you did not take them both as the price.—A. How would you call it?

Q. The price of the crop.—A. All right, we will say the price of the crop.

By Mr. Rhodes:

Q. You made the suggestion that you would prepare a statement showing what your commission represented in work.—A. Yes.

Q. Will you please prepare that and bring it if possible at 3 o'clock?—A. My statement will be a valuator's report of the entire area of land, estimated at a certain amount, 5 per cent.

Q. Your commission also represents a considerable amount of work and some outlay.—A. Not at all, that work was given in.

Q. I understood you to say you had a clerk employed at \$125, a month for over a year.—A. Yes.

Q. And you were put to other expenses?—A. Yes.

Q. Then you will make a statement saying what your commission represents.—A. I will make a statement if you like, and put it into writing.

By Mr. Kyte:

Q. Is this the clerk you hired for a year (indicating witness' secretary)?—A. Oh no, it was another gentleman.

Q. Was there any allowance made for living expenses to your secretary by the Government?—A. No, sir. He had a certain amount for expenses when he was taken to Quebec on other matters during the time the Camp was on.

Q. That was your secretary?—A. Yes.

Q. What amount did he get for expenses then?—A. I don't know.

Q. Then the Government did pay your secretary's expenses last year?—A. In connection with the Camp, not in connection with the purchase of land.

Q. At any rate, the Government paid your secretary expenses for service last year.—A. That is while the Camp was in session. That has nothing at all to do with the purchase of property.

By Mr. McKenzie:

Q. What was there in this business that could not be done just as well by the officials of the Department.—A. Well, I did not know that the officials of the Department were men that deal in real estate, or are expert valuers.

By Mr. Kyte:

Q. Or competent to do anything?—A. I would not say that.

By Mr. McKenzie:

Q. I said in the House the other day, and I am not ashamed to repeat it here, I find that when there is anything to be done in the Department, they must go to outside men. Why could not engineers and competent men who are supposed to be in the office, do this work that you were doing?—A. Well, if they do you will find they will pay about three times the value. I have had as many as ten or fifteen men buy right of ways through different towns. Do you suppose that if I were to walk out and say, "I am a representative of the Canadian Northern, I want to buy this piece of property and that piece," that I could buy for what I really got it for? Or do you suppose that in this case the property could have been got for anything like a reasonable price, if I had gone down and said, "I represent General Hughes, and I want to buy this property." Or if the General had sent down Major DeRoche, saying "I want to buy this property for the Government."

Colonel McBAIN.

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Q. I am not asking that at all?—A. Exactly.

Q. We had another great man here named Ellis, who said he had saved the Department.—A. I don't know anything about Ellis.

By Hon. Mr. Hughes:

Q. What Mr. Rhodes is asking you for is a narrative in brief form of your connection with this Camp.—A. I will make a statement on the whole matter.

Mr. A. B. HARVEY called, sworn and examined.

By Mr. Kyte:

Q. Where do you live?—A. Aylesford.

Q. In what county?—A. Kings county, Nova Scotia.

Q. What is your business?—A. Butcher.

Q. Any side lines? What else do you do besides butchering?—A. Well, I deal in horses sometimes.

Q. Do you remember when the horses were being purchased for the Militia Department last year in Kings county?—A. Yes.

Q. Did you see any parties who were purchasing horses for the Department?—A. Yes.

Q. Can you recall the names of any of them?—A. Mr. Mackay, I think was one man.

Q. A man named Mackay? Where did you first see Mackay?—A. Berwick.

Q. In Kings county?—A. Yes.

Q. Tell us the circumstances under which you saw him?—A. Berwick. Well, he was at Berwick buying horses; they advertised for horses, and I had a horse, and I went there, took the horse there.

Q. To sell the horse?—A. Yes.

Q. Did you see Mackay there?—A. Yes.

Q. Who else was present?—A. Dr. Chipman, the veterinary.

Q. Anybody else that you knew?—A. No.

Q. Were there other parties there selling horses to them?—A. Yes.

Q. About how many horses did you see at Berwick that day?—A. I do not know. I suppose there were 60 or 75 perhaps.

Q. 60 or 75 horses. Did you sell a horse to Mackay that day?—A. Yes.

Q. What did you get for him?—A. \$150.

Q. You say that you saw some 60 or 70 horses there. Were they being bought by Mackay?—A. Some of them were.

Q. Can you give us any idea as to the quality of the horses that he bought that day?—A. Well, I did not take much notice of them, outside of my own.

Q. What would you say as to the quality of the horses?

Hon. Mr. REID: He said he did not take much notice outside of his own.

By Mr. Kyte:

Q. Did you take any particular notice of any?—A. Well, yes, I noticed the kind of horses that were bought.

By the Chairman:

Q. Before they were bought or after?—A. Both.

By Mr. Kyte:

Q. What would you say, were they first class horses?—A. I would not think they were, no.

Q. You sold one horse to Mackay at Berwick?—A. Yes.

Q. Did you sell any more horses to him?—A. Yes.

Mr. A. B. HARVEY.

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Q. Where did you next see Mackay?—A. At Kingston.

Q. How many miles is that from Berwick?—A. Oh, twelve or thirteen, I do not know exactly.

Q. How many horses did you sell to Mackay at Berwick?—A. At Berwick?—one.

Q. At Kingston?—A. Four.

Q. Well, what price did you get for those horses at Kingston?—A. What did I get for them?

Q. Yes.—A. I sold two at one time.

Q. How much did you get for them?—A. \$200.

Q. \$100 each?—A. Yes.

Q. Well, what did you get for the others?—A. I got \$130 for one, and \$90 for the other.

Q. Who did you see when you went to Kingston?—A. I saw all the boys—

Q. Did you see Mackay?—A. Yes.

Q. And who else?—A. Chipman, the veterinary.

Q. And a number of people who were selling horses?—A. Yes.

Q. What would you say as to the quality of horses purchased at Kingston?—A. Well, of course, outside of my own horses, I did not see them all, you know, I did not take—

Q. Did you look at any of them at all to see whether they were good horses or middling horses or poor horses?—A. Well, the ones they were buying were not extra good horses, no.

Q. Did you happen to know what prices were paid for other horses there that day?—A. Not many, no, except a few.

Q. That you have any personal knowledge of, would you please tell the committee?—A. Well, \$160 one sold for.

By Mr. Rhodes:

Q. Whose horse was that?—A. Percy Gates.

By Mr. Kyte:

Q. Any others?—A. Yes, \$125, L. A. Reid sold one.

Q. Any others?

By Mr. Rhodes:

Q. Did you see Mr. Reid get the money for that horse?—A. No.

Q. Then how do you know?—A. He told me.

Q. That is all you know about it? My Kyte wants to know of your own knowledge?—A. None of us seen the money paid for other people's horses.

By Mr. Kyte:

Q. Did you see any bargains being made as to price?—A. No.

By Mr. Rhodes:

Q. I understood you to say, in reply to Mr. Kyte in the first place that you did not take much notice of the horses outside of your own horses?—A. Not particularly, no.

Q. You were concerned in selling your own horse?—A. Selling my own horse.

Q. Was the horse you sold a fair price?—A. Yes.

Q. Was it worth the price you received?—A. Yes, I think he was.

Q. Would you say it was a good horse?—A. I would say he was a decent horse.

Q. Suitable for the duties of the Militia Department?—A. That was not my business.

Q. The horse was sound, was it?—A. No.

Mr. A. B. HARVEY.

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- Q. What was the matter with it?—A. Sprung in the knees.
- Q. That would deteriorate the value of the horse?—A. It would with me.
- Q. Why do you say it was a good horse?—A. He was a good decent horse for the price.
- Q. You are speaking now of his moral qualities? I am speaking about his physical qualities?—A. It would depend upon what you wanted him for.
- Q. Is a horse sprung in the knees a good horse for any purpose by way of use?—A. I have used a lot of them.
- Q. Does it interfere with the use?—A. Well, yes, I would say it did a little.
- Q. Is it as valuable as a horse that is not sprung in the knees?—A. No.
- Q. Was this spring apparent to any one who was a qualified and experienced horseman, would it be apparent to him, or would it be something known entirely to yourself?—A. Most anybody could see it if they looked.
- Q. You knew at the time you sold the horse it was sprung in the knees?—A. Yes.
- Q. Was anything else the matter with the horse?—A. No.
- Q. How old was it?—A. Seven years old.
- Q. This horse I have referred to is the one you sold at Berwick for \$150?—A. At Berwick.
- Q. No mistake about that?—A. No.
- Q. Notwithstanding that the horse was sprung in the knees, you still think the Government got value of it? Did you hear my question?—A. What was that?
- Q. Notwithstanding the horse was sprung in the knees, do you still say the Government got value?—A. Well, that depends—
- Q. I am asking you what you think?—A. What I think? Whether I would give \$150?
- Q. I am not asking you that; I am asking if the Government got good value for that horse sprung in the knees, for \$150?—A. It just depends on what the Government wanted it for.
- Q. Supposing the Government wanted it for the cavalry or the transport. Was it worth \$150?—A. I don't know what a transport horse has to do.
- Q. You knew what a saddle horse does?—A. Yes.
- Q. You have seen the troops drilling at Aldershot, have you not?—A. No.
- Q. You have no idea of how these horses are used?—A. I had a little idea, but I have not seen them.

By Mr. McCoig:

- Q. Would you want to ride a horse sprung in the knees yourself?—A. No, I don't want to ride any of them.

By Hon. Mr. Reid:

- Q. A transport horse means a horse that has to haul a waggon. Was it worth \$150 for transport work?—A. Yes, he would haul a wagon all right.

By Mr. Rhodes:

- Q. You say you do not know for what purpose the Government was intending to use it? Was he worth \$150 in your judgment for a farmer for his ordinary duties?—A. Yes.
- Q. You say you did not cheat the Government in selling that horse at \$150?—A. It just depended on what the Government wanted it for.
- Q. Would you say that the horse was not suitable for some purposes?—A. I do not know.

By the Chairman:

- Q. What would that horse have been worth if it had not been sprung?—A. That is beyond me.

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By Mr. Rhodes:

Q. You have said that horse was useful for some purposes. What, in your judgment, was he suitable for?—A. I used him in the meat wagon, he did that all right.

Q. He gave satisfactory service?—A. Yes.

By Mr. Bennett (Simcoe):

Q. Did you try him in the saddle?—A. No, I do not ride horses.

By Mr. Rhodes:

Q. You know Chipman quite well, do you?—A. Yes.

Q. Is he a competent veterinary surgeon?—A. I do not know, I just know him by sight, I do not know anything about him.

Q. You know that he is a veterinary surgeon?—A. That is what they say.

Q. Has he been practising a number of years?—A. I do not know how many years.

Q. He has, for a number of years, to your own knowledge been a practising veterinary?—A. Yes.

Q. Now you told Mr. Kyte that horses were purchased from Percy Gates of Kingston at \$160, and from L. A. Reid at \$125; you do not know of your own knowledge they sold those horses?—A. No, only what they told me, that is all I know about them.

Q. You said, in reply to Mr. Kyte; that when at Kingston outside of your own horses you did not pay much attention to the other horses, or something like that?—A. I was there to sell my own horses.

Q. And you did not bother much with the other horses?—A. No.

Q. When you made the statement to him afterwards that the other horses that were sold were not extra good horses you were making a guess, were you?—A. I was making a guess.

Q. Yes?—A. Well, you wouldn't have to examine them very close to see what they were, you know.

Q. Their defects were apparent?—A. Yes.

Q. Which statement is correct, the statement which you made to Mr. Kyte in the first place that you didn't see all the horses, or did not pay much attention to them outside of your own, or the statement you subsequently made that the horses were not very good; which of these statements is correct?—A. I told him I didn't examine them closely and I suggested that from the general appearance you could see what a crowd of horses were like

Q. Are you willing to stake your reputation as a horseman that you could glance casually at a group of horses and say that they were a poor lot. Do you think that is a fair statement?—(No answer.)

Q. I would like an answer to that question?—A. No, I would not.

Q. You would not think that was a fair statement?—A. No.

Q. Would it be pretty much of a guess that a man looks at a group of horses and says "they are a poor lot," without making any examination?—(No answer.)

Q. You heard my question?—A. I cannot say that.

Q. I am asking you would it not be pretty much of a guess if a man looks at a group of horses and says, "They are a poor lot," without making any examination of them?—A. Well, I suppose it would, yes.

Q. A man would have to make a careful examination of each horse in order to pass upon it?—A. Some of them you wouldn't.

Q. If a horse had three legs instead of four he would see it was defective at once, wouldn't he?—A. Yes.

Q. You said you sold four horses at Kingston?—A. Yes.

Q. Will you describe the horses?—A. Describe the four?

Q. Yes.—A. Well, what do you want to know about them?

Q. Well, I thought you were a horseman?—A. No sir.

Mr. A. B. HARVEY.

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Q. Didn't you say so?—A. No.

Q. Then you don't know anything about a horse?—A. I didn't say that either.

Q. What do you know about a horse?—A. What do I?

Q. Yes, you heard the question?—A. Well, about what you said there, if he had three legs, I could see it.

Q. I am well satisfied with that. Then you don't know much about horses?—A. Well, put it that way if you like.

Q. Now, coming down to the four horses, I have asked you to give a description of them but you do not know how to describe them. I suppose they had four legs?—

A. As far as I know they had.

Q. You seem to think one of them only had three?—A. It might have.

Q. You are not certain that they had four?—A. I think they all had four.

Q. But are you sure that they had four legs?—A. Oh yes, and they had a head, too.

Q. Take these horses, one at a time, and describe them. Take the first one, and give us the colour, start with one of them.—A. The first one?

Q. Yes. Take the highest priced horse you sold at Kingston; what was the price of that one?—A. \$130.

Q. Now give us the colour of the horse?—A. Bay, dark bay.

Q. Was it a horse or a mare?—A. A mare.

Q. How old?—A. I don't know.

Q. Was it pretty old, do you think, or was it a young horse?—A. Crawling along, I should say.

Q. What do you mean by crawling along?—A. Well, she was getting up, you know.

Q. Was she over ten years old?—A. Oh, yes.

Q. Was she fifteen?—A. Yes.

Q. Was she sixteen years old?—A. Yes.

Q. Was she seventeen years old?—A. Yes, she was.

Q. Was she eighteen years old?—A. Well, now I tell you, I didn't raise her you know.

Q. But you understand, Mr. Harvey, this is an examination before a Committee of Parliament and we are trying to get evidence respecting the purchase of horses for the Government, and we want to get what you know in reference to the matter. I asked you how old this horse was and you said you did not know.—A. I do not.

Q. You said she was crawling along. How old was she?—A. As far as my judgment goes I should say she was twenty.

Q. On what do you base your judgment, what do you know of her?—A. Nothing—did I know her.

Q. On what do you base your judgment that she was twenty years old? What do you know of her?—A. Did I hear about her?

Q. From whom did you buy her?—A. From Howard Spurr.

Q. What did you pay him?—A. \$115.

Q. And you have said you sold her for \$130?—A. Yes, that is what I got.

Q. How long had you known this mare?—A. About two hours.

Q. Tell me how you came to the conclusion that she was eighteen years old?—A. How I did?

Q. Yes?—A. Well, people that had known her told me.

Q. Can you examine a horse and form a fairly accurate opinion on it?—A. I always satisfy myself.

Q. Did you examine her in order to find out how old she was?—A. No, I didn't want to know.

Q. In other words, you mean to say then that when you sold this horse for the use of the Government you were cheating the Government?—A. That I was cheating?

Q. Yes?—A. No.

Mr. A. B. HARVEY.

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Q. Why didn't you want her age?—A. Because they were buying and I was selling.

Q. You knew those horses were to be used by the Government, did you not?—A. I did not.

Q. Yes, you knew when you sold these horses they were to be used by the Government for the troops?—A. That is what they said.

Q. You believed that as a matter of fact?—A. That is what they told me.

Q. And you believed them?—A. Sure, I always believe everything.

Q. You saw the posters that were put up stating these horses were being bought for military purposes?—A Yes.

Q. When you did not want to know the age of this horse did you not have the idea that you were cheating, that you were unloading a horse upon them that was not suitable?—A. No.

Q. Did you think they were getting fair value for the mare at \$130?—A. That was not my business.

Q. Just answer the question. Did you believe the Government was getting fair value at \$130, for the mare?—A. It depended upon what they wanted her for.

Hon. Mr. REM: The witness must answer questions, that are fair questions, and this is a fair question; we want to get at the truth.

By Mr. Rhodes:

Q. I would like a "Yes" or "No" answer to that question, I think it is a fair question. I will put the question again. Do you believe the Government got fair value when it purchased that mare at \$130?—A. I would not want to give \$130 for her.

Q. In other words, you do not think she was worth \$130? You say you do not think she was worth that?—A. No.

Q. You do not think she was?—A. No.

Q. How much do you think she was worth?—(No answer.)

Q. What do you think she was worth?—A. What do I think she is worth?

Q. Yes?—A. I don't know.

Q. How much is she worth?—A. I do not know.

Q. Have you any idea what she was worth, yes or no?—A. I must have had when I bought her.

Q. What did you think she was worth?—A. I paid \$115 for her.

Q. I am not asking you that. I am asking you what you think she was worth when you sold her. You say she was not worth \$130. How much was she worth?

Hon. Mr. REM: You can answer these questions, they are fair questions.

WITNESS: Hold on now, don't get excited.

By Mr. Rhodes:

Q. I want you to understand that you are a witness before a Parliamentary Committee and you must behave yourself.—A. I am behaving myself.

Q. You will be treated fairly, but you must give your answers properly.—A. Give me time.

Q. You can have all the time you want. How much do you think that mare was worth when you sold her to the Government?—A. How much do I think she was worth?

Q. Yes, you heard the question the first time?—A. Well, different people would have different opinions.

Q. I am asking your own opinion, and you know it. What is your opinion upon that?—A. My opinion, what I would want to give for her, for that mare?

Q. I am asking you what, in your opinion, that mare was worth when you sold her to the Government?

The CHAIRMAN: You can answer that without any hesitation.—A. I paid \$115 for her and I must have thought she was worth it or I would not have paid it.

Mr. A. B. HARVEY.

Q. Do you think she was worth \$115?—A. No.

Q. Do you think she was worth \$100?—A. No.

Q. Do you think she would be worth \$80?—A. No.

Q. Do you think she would be to anybody, to the Government or anybody else?
—A. I do not know what for, no.

Q. Do you think she would be worth \$80?—A. No.

Q. Do you think she would be worth \$75? We are crawling down, now, not crawling up?—A. I suppose she would.

Q. Well, in other words, when you sold that horse to the Government for \$130 you robbed them of \$55.

Question objected to by Mr. Maclean, Halifax.

By Mr. Kyte:

Q. Did you make any representations about her?—A. No answer.

By Mr. Rhodes:

Q. I want to be perfectly fair with this witness and I want to find out all that he knows. Now this is the question. When you sold that horse to the Government for \$130 in your judgment she was only worth \$75 to any person; is that a fair way to put it?—A. Yes, that is right.

Q. Now we will take the next animal you sold, was it a horse or a mare?—A. I sold two before I sold her.

Q. That was the animal for which you received the highest price?—A. Yes.

Q. What was the next one in price?—A. \$100.

Q. Was it a horse or a mare?—A. A mare.

Q. What was the colour?—A. Black.

Q. How old was she?—A. I do not know.

Q. Was she crawling also?—A. I don't know.

Q. You don't know?—A. No.

Q. Have you any idea as to her age?—A. No.

Q. Was she sound?—A. Sound, as far as I could see.

Q. Do you believe she was sound?—A. Yes.

Q. How long had you owned her?—A. I suppose fifteen minutes.

Q. And from whom did you purchase her?—A. I don't know.

Q. How much did you pay for her?—A. \$85.

Q. You don't know from whom you purchased her?—A. No.

Q. Had you known this mare for some time?—A. No.

Q. Do you believe she was good value at \$100?—A. I don't know anything about her.

Q. Do you think she was good value at \$85?—A. I don't know anything about her.

Q. Why did you pay \$85 for her?—A. Because I wanted her.

Q. Did you think she was worth it?—A. She must have been or I would not have paid it.

Q. Is that the best answer you can give?—A. I must have thought it or I would not have bought it.

Q. You said a moment ago that you did not know anything of her.—A. Well, I paid \$85, and knew nothing about her.

Q. Did you think it was fair value when you sold her to the Government at \$100?
—A. I do not know anything about it.

Q. Now, take the next animal you sold. What did you sell her for?—A. The next one was a sorrel horse.

Q. How old was it?—A. I do not know.

Q. What price did you sell it for?—A. \$100.

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Q. How long had you owned the horse?—A. I got him that morning, four or five hours.

Q. What did you pay for it?—A. \$75.

Q. From whom did you buy him?—A. Jim Jacques.

Q. How old was the horse?—A. I do not know.

Q. Was it sound?—A. I do not know.

Q. Was it sound?—A. No.

Q. Will you please tell me what was wrong with it?—A. It had a spavin on each hind leg, a little one.

Q. I am not a horse man, Mr Harvey. Would not a spavin on each hind leg render that animal worthless?—A. Oh, you could use him some, if you wanted to.

Q. How much could you use him?—A. I do not know.

Q. Is not a horse practically worthless with two spavins?—A. He did not seem to be.

Q. Was this horse, in your opinion, worth \$100?—A. In my opinion, no.

Q. Was it in your opinion, worth \$75?—A. Yes, I should say he was.

Q. You think \$75?—A. Yes.

Q. Would you say that was the highest price that the horse was worth?—A. I would think so.

Q. That was the outside value of the horse, in your opinion?—A. For me, yes.

Q. Then the Government was cheated to the extent of at least \$25?

Mr. MACLEAN (Halifax): Don't put it that way.

Mr. KYTE: Unless they sent out imbeciles to buy a horse.

Mr. RHODES: I submit that my question is perfectly fair. I am asking him if the Government was cheated to the extent of \$25 when they paid \$100 for a horse which, he says, was worth \$75.

By Mr. Maclean (Halifax):

Q. You were offered \$100 for the horse?—A. Yes.

Mr. McKENZIE: Isn't that a matter of inference?

The CHAIRMAN: I don't think these transactions were legitimate at all. The man was buying for the purpose of putting things over on somebody.

By Mr. Rhodes:

Q. Was the Government not defrauded to the extent of at least \$25 when it paid \$100 for this horse which, in your judgment, was only worth \$75?—A. I don't know who was cheated.

Q. Was not the Government defrauded?—A. I do not know.

Q. You do not know that the Government was defrauded to the extent of \$25, in your judgment, when it pays \$100 for a horse which was only worth \$75?—A. Somebody else might say he was worth \$125.

Q. I am asking you your own judgment. In your judgment, was not the Government defrauded \$25 when it paid \$100 for the horse?

The CHAIRMAN: I don't think I would press that. If the witness is in a bad place it is bad enough without him saying anything further.

By Mr. Rhodes:

Q. Take the next horse, was it a horse or a mare?—A. It was a horse, I think.

Q. You are not sure?—A. No.

Q. Do you know the colour?—A. Sorrel.

Q. It might have been either a horse or a mare?—A. I guess he was a horse.

Q. But you are not sure?—A. Yes, I guess he was a horse.

Q. What price did you give for him?—A. \$90.

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Q. How long had you owned him?—A. Well, I do not know, I suppose eight or ten months.

Q. What did you pay for the horse?—A. I traded, and got him.

Q. You traded a horse you had owned for some time?—A. A while.

Q. What kind of a horse did you give in exchange?—A. I gave a little bay horse.

Q. How old was the bay horse you gave in exchange?—A. Oh, I don't know.

Q. Was it crawling up?—A. Yes.

Q. Would it be eighteen years old?—A. I suppose he would.

Q. Was he spavined?—A. Yes, but his was on the forward leg.

Q. Did he have a spavin on each forward leg?—A. No, just one.

Q. Was he lame?—A. No, was not lame.

Q. Did he have any other defects?—A. I don't think.

Q. We are dealing now with the horse you gave in exchange. What do you think the horse was worth you gave in exchange?—A. What was he worth.

Q. Yes.—A. Oh, I don't know. Them old horses it is hard to make an opinion on them.

Q. What about the fourth horse. Coming back to the fourth horse, which you think is a horse but are not sure, sorrel in colour, that you sold for \$90. You say you have no idea as to its age?—A. Of course, I did not raise him, you know.

Q. But was he crawling up?—A. I don't think I was alive when he was borne.

Q. He was an old horse?—A. According to my judgment, pretty well—

Q. How old are you?—A. Thirty-two or thirty-three.

Q. You say this horse you sold at \$90 was thirty-two or thirty-three years?—A. No, I did not.

Q. I thought you said he was older than you. How old did you think he was?—

A. That is just judgment, kind of—

Q. How old, in your judgment?—A. I would take him to be pretty handy thirty.

Q. Had he any spavins?—A. No, none that I noticed.

Q. Was the spring in any one of the knees?—A. Yes, two of them.

Q. Had he any other defects?—A. I don't think, I didn't have him long, you know, didn't use him long. He was sprung up some.

Q. In your judgment do you think he was worth \$90?—A. Oh, I don't know.

Q. You don't know?—A. I only had him a few minutes.

Q. With the knowledge that you have of the horses, do you think that he was worth \$90?—A. I could not say.

Q. Now, Mr. Harvey, you have told me that you saw the poster which was on the walls about the buildings where these horses were to be sold?—A. Yes.

Q. Did you read it?—A. Yes.

Q. Did you not know, as a matter of fact, that this poster announced that these horses were being purchased for use by the troops? You say you read the poster. Did the poster not say these horses were being purchased for use by the troops?—A. I do not know.

Q. You read the poster?—A. I think so, yes.

Q. You knew outside of the poster they were being purchased for the troops, I think you have already said that?—A. That is what they said.

Q. You believed that they were, did you not, that these horses were being purchased for military purposes? You believed that?—A. I had no reason not to believe it, yes.

By Mr. Boys:

Q. You said before you believed it. Are you not sticking to that? You made the further comment that you believed everything you heard. Do you remember saying that?—A. Yes.

Q. Was it true what you said, did you believe it or did you not?—A. Sure I believed it.

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By Mr. Rhodes:

Q. Do you know as a matter of fact that these posters contained statements that horses to be purchased on the date in question were to be of certain ages?—A. Yes.

By the Chairman:

Q. Did you say "yes"?—A. Yes.

By Mr. Rhodes:

Q. What was the highest age named in the poster?—A. I don't remember.

Q. Was it under ten years?—A. I don't remember.

Q. You have no idea?—A. No.

Q. Did you know at the time that ages of horses to be purchased were mentioned in the poster?—A. Yes.

Q. You knew at the time. What do you say, knowing that the ages were mentioned in that poster, and the horses which you sold were very many years over the age named in that poster, don't you think your action in selling these horses was reprehensible, to say the least of it, when they were not sound and in condition?—A. What are you picking me out for? That is the kind they bought from everybody.

Q. I am asking you: Did you in your own mind, think you were putting one over on the Government in selling horses that were many years over the age?—A. I went to Berwick with a horse. I read their poster, went to the park with the horse, not to sell it, drove there to see the people, see. When I got to Berwick—I didn't think that my horse would go according to the poster. When I got to Berwick, I took notice that I had as good a one, if not the best one, they had there—the lame, the halt and the blind. Well, I drove him up in the wagon. They had a veterinary that came and examined him: and they says: What do you want for him? I said: What would you give me? They said, \$150. All right, I says, you can have him.

Q. You knew when you sold that horse—A. I knew nothing.

Q. You knew when you sold that horse that he was many years over the age?—A. He was not.

Q. This horse was not. But you knew when you sold some of those farm horses they were many years over the age in the poster, didn't you?—A. Certainly.

By Mr. Maclean (Halifax):

Q. Did you make any representation as to these?—A. No, none whatever.

Q. As to the quality?—A. None whatever.

Q. Did you fix your own prices or did you take what was offered you?—A. Took what was offered me and glad to get it.

Witness retired.

Committee adjourned.

HOUSE OF COMMONS

Room 211,

WEDNESDAY, April 7, 1915.

The Committee met at 3 o'clock, Mr. Morphy presiding.

The examination of Mr. A. B. Harvey resumed.

By Mr. Rhodes:

Q. I want to ask you if there was any understanding between you and any person to share in the profits of the sale of those horses?—A. No.

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Q. Did you share a portion of the profits with anybody?—A. No.

Q. Did you know the Veterinary personally?—A. Did I? yes.

Q. Who was the Veterinary who examined your horses?—A. Geo. Chipman was there.

Q. Did he examine your horses?—A. He examined them the same as he examined the rest.

By Mr. Nickle:

Q. How did you learn that there was going to be a sale of horses?—A. If there is anything like that going on in our country we generally hear about it.

Q. How did you happen to hear about it?—A. I cannot just tell you.

Q. Did you see any posters put up?—A. There were posters up, yes—

Q. You went into town—A. I do not know that I particularly looked up the posters; everybody knew they were going to buy horses.

Q. Who was going to buy?—A. The veterinary.

Q. You knew that somebody was going to buy horses for the military?—A. That is it.

Q. Then you went into town, but you had no idea of selling your horse?—A. No.

Q. You knew it was not in the class that they were buying?—A. No sir.

Q. How did you happen to approach them to buy; what just happened; for instance, to whom did you go?—A. I drove in my horse with the rest; they were standing around there. This veterinary, Chipman, came along, and said, do you want to sell? and I said, yes, and he put a ticket on him and went away.

Q. Did you settle the price then?—A. No.

Q. He just put a ticket on your horse?—A. Yes.

Q. What did the ticket mean; what was on it?—A. I did not look at it.

Q. The price was not determined then?—A. No.

Q. Where did you go after that with your horse?—A. I stayed right there.

Q. What happened?—A. Mr. McKay came along and wanted to know what I wanted. I said, what can you give me? he said, \$150; I said, all right.

Q. You made no representation as to the age of your horse?—A. Not a bit, sir.

Q. You did not say whether it was sound or not?—A. No.

Q. Did you call his attention to the fact that he was sprung in the knee?—A. I did not have to do that; any man could see it.

Q. It was quite visible?—A. Yes.

Q. Did the veterinary examine it?—A. He looked at it; I suppose he examined it.

Q. It was McKay who gave you the \$150?—A. It was.

Q. Did he examine it when he put the ticket on?—A. That is the time I suppose the examination took place.

Q. Was there anything printed on the ticket?—A. There was something written on it; I did not look at it.

Q. What you say is, you approached Chipman, he looked your horse over, and put a ticket on, and then you came into communication with McKay and between the two of you the price was determined?—A. That is it.

By Mr. Carvell:

Q. Did you say that you approached McKay or Chipman, or did Chipman approach you?—A. Chipman approached me.

Mr. CARVELL: Mr. Nickle's question was framed differently.

Mr. NICKLE: I thought he said he went to Chipman.

The CHAIRMAN: He said he drove his horse in with the rest.

By Mr. Nickle:

Q. And Chipman went and—A. Looked at this horse and put a ticket on.

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Q. To that extent, then, your horse was in with the other horses being offered for sale?—A. Yes.

Q. Chipman came to your horse in the bunch, as distinguished from the other horses?—A. Yes.

Q. How do you justify in your own mind offering to the veterinary a horse that was sprung in the knees, when you knew that he wanted a sound horse?—A. Well, I just took it this way: There is the horse, and the veterinary comes and looks at it; he knows his business, he is supposed to, and if he says he will take him for so much money, he takes him; if he didn't, I take him back. I did not care whether he took him or not.

Q. You had a horse to sell, and you thought you would "put it over" the vet.?—A. What?

Q. You had a horse to sell, and if you could put it over the veterinary and the Government, you thought it was up to him to protect himself?—A. Just as sure as you were born.

Q. Having been successful in selling the first horse, Mr. Harvey, you decided to embark a little more heavily in the business?—A. Yes, sure.

Q. You thought they were buying anything, looking for a cheap class, and you thought you would put one over?—A. I did not think; I brought down a pair and put them in.

Q. Was that the pair you sold for \$200?—A. I bought three on my way down.

Q. You said you took down a pair; was that the two you got \$100 apiece for?—A. \$100 apiece.

Q. What were the defects in them?—A. One was a little black mare; I don't know whether she was the first one; anyway, I sold her.

Q. What were her defects?—A. I do not know; I had her only a few minutes.

Q. How were you so sure that you could sell her?—A. I was not sure.

Q. You took a sporting chance?—A. Just as sure as you were born.

Q. Had you reason to think that the man you bought her from would take her back?—A. I did not want him to.

Q. Where did you buy her, in the village?—A. Right on the street.

Q. At a horse sale?—A. Yes, sir.

Q. Did you know her before you bought her?—A. Just as she stood.

Q. You did not know anything about her?—A. I knew she was a pretty little mare.

Q. Did he offer you the horse?—A. I don't know whether he did, or whether I asked what he would take.

Q. You do not know whether he approached you or you him?—A. Not exactly; it is likely I asked him what he would take.

Q. Now, about the other one; where did you get her?—A. I bought him from a man named Jim Jacques.

Q. What was the matter with that horse?—A. He was quite a good little horse.

Q. I did not ask you how good he was; I asked you how bad he was. What was the matter with him?—A. He was not so very bad; he had two little spavins on him.

Q. Let us deal with this spavin question. You said one horse had three spavins?—A. No, I did not.

Q. Yes, you did. You said one had a spavin in the front leg.—A. No, I said one had no spavins behind; it was on the front; he had one; he did not have three.

Q. That was not this horse?—A. He had a pair of spavins behind, yes.

Q. He was not sound?—A. No.

Q. Were they dead?—A. The spavins?

Q. Yes.—A. I cannot tell you that; I do not know.

Q. Was he scarred?—A. No.

Q. Was he lame?—A. No.

Q. Were the spavins quite apparent to the eye?—A. Oh, yes, a fellow could see them.

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Q. Could you feel it with your hand down the inside of the leg?—A. You could see them with your own eyes.

Q. How did you come to sell that time?—A. These two? I led them right in, tied them up against a fence with the rest of the scabs, and they came along and put tickets on them, and they remained with the rest.

Q. Who put the ticket on?—A. Dr. Chipman.

Q. That is the veterinary?—A. Yes.

Q. Do you know anything about his technical knowledge?—A. I do not know.

Q. Do you know of any horse that he rejected?—A. Yes.

Q. He did reject some?—A. Yes.

Q. Many?—A. One of mine.

Q. What was the matter with that one?—A. He had a lump on his knee.

Q. You could see that?—A. Oh, yes.

Q. Chipman looked over it this time, and did he see the spavins?—A. Yes.

Q. Did he call your attention to them?—A. Yes.

Q. What took place between the two of you?—A. He did not say much.

Q. He passed them?—A. He passed them.

Q. How did you determine the price?—A. He did not make the price.

Q. I know, but what happened?—A. McKay is the man.

Q. Tell me about it; I was not there; you were.—A. I says, What are they worth? Can you handle them? He says, What do you want for them? I says, What can you give me? He says, I'll give you \$100 apiece.

Q. No dickering at all?—A. Not a bit.

Q. Now, come to the \$130 horse; that is the one you say was worth about \$75.—A. Yes.

Q. Where did you get that fellow?—A. From Howard Spurr.

Q. Did you take him in with the rest of the bunch?—A. No, he came in alone.

Q. Tell us what happened again; who was present?—A. There was a lot around there.

Q. Who was representing the Government?—A. Mr. Chipman and McKay.

Q. You took them up to Chipman again?—A. I led him in and tied him up against the fence.

Q. Was this another day?—A. The same day.

Q. You tied him up at the fence?—A. Yes.

Q. Did Chipman look him over?—A. Yes.

Q. What was the matter with this fellow?—A. Nothing.

Q. Is he an old one?—A. Well, she was not a colt.

Q. How old was she?—A. I don't know; old horses are hard to tell.

Q. Do you mean to say that this one was about thirty?—A. That one, that was the sorrel, I guess.

Q. How old was this one?—A. That one was a dark bay.

Q. How old was she, do you think?—A. As I said before, it is hard to tell; I did not raise her.

Q. It is rather hard to tell after eight or nine years, isn't it?—A. Yes.

Q. You cannot tell much after twelve years?—A. Not after they get to twelve.

Q. It is pretty good guessing then?—A. Yes.

Q. This one was a good deal over twelve?—A. Well, according to my judgment, she was crawling up.

Q. How far had she crawled?—A. I don't know.

Q. She was a very old horse?—A. I think so.

Q. How did you fix the price on that one? Before I ask that, did Chipman look at her mouth?—A. Yes.

Q. Did he ask you how old she was?—A. No; you would not expect a veterinary to ask a man like me how old a horse was.

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- Q. You did not make any representation as to age?—A. Not a bit.
- Q. And he passed her?—A. Yes.
- Q. And then you took it up with McKay?—A. Yes.
- Q. What took place between you and McKay?—A. Well, the same as the rest of them.
- Q. And you took what he offered?—A. Yes.
- Q. No dickering at all?—A. Not a bit; no good to dicker on that kind.
- Q. You got what you thought was a good fat price and let them go?—A. Yes.
- Q. Coming down to this \$90 horse, is that the one that had the spavin on the front leg?—A. No, they would not take him.
- Q. He had a lump?—A. That was the same thing, the same lot.
- Q. The horse that had the spavin on the front leg is the one they would not take?—A. They would not take.
- Q. Why do you use that expression, got a spavin on the front leg?—A. I don't know. There was a lump there about as big as this (indicating drinking glass).
- Q. You say the horse had a lump on his front leg as big as that glass, and you call it a spavin?—A. Yes, I don't know whether I called it a spavin or this man, but it was there anyway.
- Q. You know it was not a spavin?—A. It was a lump, I know that.
- Q. That horse they did not take?—A. No.
- Q. The \$90 horse was the old horse, was it?—A. Yes.
- Q. Did you approach Chipman the same as before?—A. Yes.
- Q. And he put the ticket on it?—A. Yes.
- Q. And Mackay fixed the price?—A. Yes.
- Q. The same as in the other case?—A. Yes.
- Q. Did Chipman make you exercise the horses at all?—A. No.
- Q. Did he ask you if they were lame or not?—A. They did not get no exercise.
- Q. Why?—A. He never asked me to move them.
- Q. How much of an examination did this veterinary give these horses?—A. I don't know.
- Q. Did he examine their feet?—A. I suppose he did.
- Q. You were there, tell us?—A. I don't know; I wasn't watching him; I was looking after my own.
- Q. Was it not your business to see that he did?—A. If he did not want them he need not take them.
- Q. You are on your oath. Will you tell us what Dr. Chipman did?—A. I cannot. I am on my oath.
- Q. You know they were not exercised?—A. Never.
- Q. Did he make any effort to find if the other one was all right or not?—A. No.
- Q. You did not see him examine their feet?—A. I didn't see him examine them at all. I was there but I cannot swear—
- Q. You saw him examine their mouths?—A. He looked in one.
- Q. Did he pick up their feet?—A. He might have picked up their feet, but I could not swear he did or did not.
- Q. Did you see him do anything but look in one horse's mouth?—A. Not that I could swear. He might have done, but I could not say.
- Q. You have no recollection of his having done it?—A. No. He might have done it, you understand, but I don't know.
- Q. Did he ask you any questions about these horses?—A. No.
- Q. According to your story then, he practically took these five horses, and simply looked into their mouths?—A. Used his own judgment.
- Q. Did he ask any questions?—A. No.
- Q. And you made no representations?—A. Not a bit.

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Q. Did you give anybody anything for getting these horses through so easy?—
A. No, sir.

Q. Did you intend to give anybody anything?—A. No, sir.

Q. Had you any arrangements with anybody whereby they were to get anything?
—A. No, sir.

Q. Did you promise later on to give anybody anything?—A. No, sir.

Q. Then the deal was an absolutely straightforward horseman's deal?—A. That is what it was.

Q. You simply sold trusting to the purchaser to protect himself?—A. Surely.

Q. And you sold the horses knowing they were for Government use?—A. I supposed they were, that is what they said they were for.

Q. Knowing they were not the sort of horse required?—A. Yes.

Mr. CARVELL: A sort of a David Harum deal.

By Mr. Nickle:

Q. In other words, you made a good sale, and you are utterly regardless of consequences to the Government or the men who might use these horses?—A. Yes, well the men that bought them were supposed to know what they wanted.

Q. But you knew from the poster the sort of horses they did want?—A. Yes.

Q. And you knew they were not that sort?—A. Yes.

Q. And you sold them knowing that men's lives would depend on them?—A. They would not depend on them very long.

Q. Why?—A. They would not get very far.

Q. The horses were so defective in wind they were not suited for military purposes?—A. Yes.

Q. And you sold them for military purposes?—A. Sold them—

Q. Knowing they were for military purposes?—A. I supposed they were, they said that.

Q. And you saw the posters?—A. Yes.

Q. And in the teeth of that you turned those horses over on to the Government?
—A. Yes.

By Mr. Davidson:

Q. Had you any particular pull with the veterinary or any person connected with this matter. As a matter of fact, you are not a supporter of the Government, are you? You are an opponent of the present Administration? What do you say about that?—A. A pull?

Q. You are not a supporter of the Government?

Mr. KYTE: You need not answer that.

Mr. DAVIDSON: I think that is a proper question.

By Mr. Davidson:

Q. Why did these people from whom you bought horses not come themselves to sell?—A. Why didn't they?

Q. They knew about the sale?—A. I don't know, I didn't ask them.

Q. Was it because they were too honest to put these horses over?—A. Possibly it was.

Q. And they thought you were not so scrupulous?—A. I don't know anything about that.

Q. In other words you had no better chance than the persons from whom you bought them?—A. Nor anybody.

Q. In reference to the horses sold at Berwick, what were the highest prices paid for horses in Berwick?—A. I do not know.

Q. Do you know of \$200 being paid for any horse in Berwick?—A. No, sir.

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Q. Did you know Mr. Sam Chute in Berwick?—A. Not personally, no.

Q. Do you know if he sold horses to the Government?—A. No.

Q. You do not know. Three hundred dollars may have been a common price for all you know?—A. I know nothing of the highest prices that was paid. I know what I got for mine.

By Mr. Kyte:

Q. You spoke about this horse with the lump on his knee, what did you do with that horse?—A. I traded. I don't know whether you fellows know anything about trading horses or not. I traded him for a big sorrel horse.

Q. With whom?—A. Mr. C. H. Maddar.

Q. Who did Meader get it from?—A. Mr. Thomas Baltzer.

Q. Who did Baltzer get it from?—A. Mr. Daniels. I did not know the horse at the time I got him, but I learned afterwards his history. There is where he came from, Daniels, in the first place.

By Mr. German:

Q. How much did Daniels get for him?—A. \$10.

Q. He sold him to whom?—A. Thomas Baltzer.

Q. How much did Baltzer get for him?—A. \$15.

Q. And you got him from Baltzer?

The CHAIRMAN: No, Maddar.

The WITNESS: Meader got it from Baltzer and gave Baltzer \$15.

By Mr. German:

Q. What did Meader do?—A. Traded with me.

Q. For a sorrel horse with a lump on the knee. You sold the horse to the Government for how much?—A. \$90.

By Mr. Kyte:

Q. Who did Daniels get the horse from?—A. I do not know.

Q. Is that the horse he got from Charles Uhlman?—A. Yes.

Q. What did he give Uhlman for him?—A. What did Daniels give Uhlman for him?

Q. What did Daniels give Uhlman for the horse?—A. A drake and two ducks.

By Mr. Nickle:

Q. This is a rather serious business. Did I understand it was sold to the Government, a horse for \$90, that was bought a short time ago for three ducks?—A. No, a drake and two ducks.

Q. All drakes are ducks, but not all ducks are drakes. This horse was traded for a drake and two ducks how long before you got it?—A. I don't know, about a year I guess.

Q. What was the matter with him, was he a bad dispositioned fellow?—A. A great natured fellow.

Q. What was the matter with him?—A. I only had him a little while; he was sprung in the knees a little bit; he was a little old, you know.

Q. Any other faults?—A. No, I guess not.

Q. Can you give us any explanation as to how these horses were put over so easily on this Government?—A. No.

Q. Were the other horses sold as defective?—A. That is only a few of them.

Q. But were the other horses sold just as easily and just as defective?—A. Yes.

Q. The class of horse that you sold—you are on oath remember—fairly represent the class of horses that Chipman was connected with the purchasing of?—A. Yes, they were a good sample of them.

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By Mr. Kyte:

- Q. Do you mean to say there were no horses bought at that time that were in good condition?—A. Oh, yes, there were a few, you know, but the average lot——
 Q. There were some good horses, too?—A. Some fairly good horses.
 Q. There were a few?—A. Yes.
 Q. But the great majority were the class that you described?—A. Yes.

By Mr. Davidson:

- Q. Did you sell any horses at the time of the South African war?—A. No.
 Q. Have you signed any declarations or statements for any person's use in reference to the sale of these horses to the Government?—A. Yes, I have.
 Q. Any written statement, or affidavit, or letter, or anything of that kind about these horses, about this transaction, you know what I mean, about this whole affair?—A. Yes.
 Q. What statement did you sign?—A. Well, I cannot just remember it here.
 Q. Where did you get the statement to sign, from whose hands?—A. The statement that I signed?
 Q. It was in reference to this sorrel horse. Who gave you the statement to sign?—A. Mr. Wickwire.
 Q. He is the local member from King's County?—A. I do not know.
 Q. You voted for him several times, haven't you, as local provincial candidate?—A. Have I?
 Q. I am asking you that.
 Mr. KYTE: A man's vote is secret.
 Mr. DAVIDSON: He need not answer if he has any objections.

By Mr. Davidson:

- Q. And Mr. Wickwire wrote out a statement in reference to this matter, and got you to sign it, Mr. H. H. Wickwire, lawyer, of Kentville, that was the man?
 Q. You understand my question don't you, Mr. Harvey? Did H. H. Wickwire, M.P.P., a member of the Legislature of Nova Scotia, hand you a written statement in reference to the sale of these horses to the Government and ask you to sign it?—A. I wrote the statement myself.
 Q. Where did you write it?—A. Where did I write it?
 Q. Yes?—A. In the hotel there.
 Q. Who was there at the time?—A. I do not know whether there was anybody there at the time.
 Q. Did you not tell me that Wickwire gave you a statement to sign?—A. He copied the one I gave him and handed it to me to sign.
 Q. He was not there at the time you wrote it?—A. He may have been there at the time. He was not with me, I was alone.
 Q. What was in the statement you signed?—A. I do not know as I can give it here.
 Q. Give it as near as you can? Did you take any declaration?—A. Yes, the statement was about as I have given it to you here. I bought one horse for \$10, with a lump on his knee, and sold it to the Government for \$90; that is the sum and substance of it.
 Q. The declaration just contained information in reference to one sale of one horse?—A. Yes.
 Q. When was that; when did you write that statement?—A. A week or so ago—I just don't know the date.
 Q. What did you do with the statement when it was signed?—A. What did I do with it.

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- Q. Yes?—A. I do not know, I left it there in the hotel.
 Q. With whom?—A. With whom?
 Q. Yes?—A. With Mr. Dodds.
 Q. Did you not give it to Mr. Wickwire?—A. I did not give it to him.
 Q. It was not given to him in your presence?—A. No, not in my presence.
 Q. Did Mr. Wickwire get it?—A. I don't know, I suppose he did.
 Q. Why did you go to the hotel on this occasion?—A. I often go there.
 Q. Did you go there for any specific purpose on that occasion?—A. I go there whenever I am around there.
 Q. Were you not asked to go to the hotel on this occasion?—A. No.
 Q. You just happened to be there?—A. I happened to be there.
 Q. Whom did you meet there?—A. I met a lot.
 Q. Tell us why you happened to write out that statement in reference to it?—A. They wanted to find out about it.
 Q. Did you see Mr. Wickwire?—A. He was there and two or three more.
 Q. Mr. Wickwire asked you to write out the statement?—A. Sure.
 Q. You are pretty well acquainted with Mr. Wickwire?—A. Not very well, no.
 Q. You are not intimate with him?—A. No.

By Mr. Rhodes:

- Q. You say you did not know Mr. Wickwire is a member of the local Legislature of Nova Scotia?—A. Oh yes, I know that.
 Q. I understood you to say a moment ago that you did not. You say now you do know it?—A. I do not know positively.
 Q. You do not know positively?—A. No.
 Q. How long have you lived in King's county?—A. Four years.
 Q. Where did you live before?—A. Hantsport.
 Q. That is in the county of Hants, about two miles from the border of Kings county?—A. Yes.
 Q. And you have lived there all your life?—A. Yes.
 Q. I understand you did see the posters that were put up?—A. Yes.

By Mr. Davidson:

- Q. What did you get for signing that statement?—A. I did not get anything.
 Q. Did you get the promise of anything?—A. No.
 Q. Was Mr. Spurgeon Selfridge with you that day?—A. With me?
 Q. Yes?—A. No.

By Mr. Carvell:

- Q. I do not seem to understand the method by which the examining and purchasing took place. Now what was the object of putting a tag on the horse at all?—A. The object of putting a tag on it?
 Q. Yes, what did it indicate?—A. I suppose it indicated that it was examined.
 Q. And passed?—A. And passed.
 Q. Then after the horse was examined and passed, what was the next move?—A. The next move was to watch for the fellow that was buying; wait till he came along.
 Q. And when you had tied your horse up to the fence as you have described, you started off to make the sale of the horse?—A. I waited until he came around, they were all tied up and I stood by mine all the time so that I would be there when he came.

By the Chairman:

- Q. You say that as far back as a year prior to this deal for that \$90 horse, a man named Uhlman owned it and he sold it to Daniels, do you know when?—A. No.
 Q. Then it was sold to Baltzer, do you know when it was sold to that man?—A. No.

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- Q. And he sold to Madder, do you know when?—A. Do I know the date exactly, no.
Q. Was it on the same day on which you sold to the Government?—A. Oh, no.
Q. How long did you know the horse?—A. About eight or ten minutes.
Q. Where did you buy it, in Kingston?—A. Yes.
Q. Had Mr. Madder brought the horse over for sale?—A. He was driving him.
Q. And you had not gone to that locality to get a fine horse?—A. No.
Q. He was there with the horse and you made a deal for it?—A. Yes.

By Mr. McCoig:

- Q. Were you paid for these horses in cash or by cheque?—A. In cash.
Q. Did you sign a receipt?—A. I signed something, I could not swear what it was.
Q. Who asked you to sign it?—A. Mr. McKay.

By Mr. Boys:

- Q. Do you mean to say that you signed a document without reading it?—A. Yes.
Q. You will sign anything that is given you, will you?—A. I didn't look at it.

By Mr. Kyte:

- Q. Did McKay tell you what it was?—A. It was a receipt for the money.

By Hon. Mr. Reid:

- Q. You signed a receipt for each horse?—A. Yes.
Q. Upon which you got your money in cash?—A. Yes.

Witness retired.

SPURGEON SELFRIDGE, called, sworn and examined.

By Mr. Kyte:

- Q. Where do you live?—A. Aylesford, Kings county, N.S.
Q. Do you remember meeting any person in September, 1914, who was purchasing horses for the Militia Department?—A. Yes.
Q. Whom did you meet?—A. Mr. Chipman.
Q. That is the veterinary?—A. Yes, and Mr. Oakes, and a man whose name I afterwards found was McKay, but I did not know it at the time.
Q. Where did you meet him first?—A. At Berwick.
Q. How did you come to be there?—A. Oh, I had heard it reported that they were going to buy horses, and I had some there to sell.

By Hon. Mr. Reid:

- Q. Did you see it advertised?—A. I did not.

By Mr. Kyte:

- Q. When you arrived at Berwick, who did you see with reference to the sale of horses?—A. I saw the three gentlemen I have referred to.
Q. Do you remember meeting Mr. DeWitt Foster, the M.P., or Mr. Keever, or a veterinary named Wood?—A. No.
Q. You took a pair of horses with you, what kind of horses were they?—A. I would call them a good pair of horses.
Q. How old were they?—A. One was five and the other six.
Q. About what weight were they?—A. About twelve hundred or twelve hundred and a half.

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- Q. Were they well broken to harness?—A. Well broken.
- Q. What did you want for them?—A. What did I want for them?
- Q. What did you ask for them?—A. I had been asking \$450 for them in the spring, I hadn't been offering them during the summer at all.
- Q. What did you sell them for?—A. \$375.
- Q. For the pair?—A. Yes.
- Q. Were they good value for the money?—A. For \$375?
- Q. Yes.—A. I would consider them very good value for a farmer if he had the money.
- Q. Do you know the class of horses required for artillery purposes?—A. I did not know at that time, since then I have heard quite a lot about them.
- Q. Do you think those horses would come up properly to the requirements?—A. I think they would.
- Q. Did you see many horses there that day?—A. Yes, a lot of them.
- Q. About how many?—A. I could not say, there were a lot of them.
- Q. Were there a hundred?—A. Perhaps more, about two hundred; there was a big crowd of horses.
- Q. Did you look over the horses?—A. I did.
- Q. And what was the quality of those horses?—A. There was both good and bad there.
- Q. Which predominated?—A. There was a lot of each kind.
- Q. A lot of good horses?—A. A lot of good horses.
- Q. And a lot of poor ones?—A. Yes.
- Q. What proportion of each kind would you say?—A. I did not look at them in that way, there was a class of horses all round of fair value.
- Q. How would you describe the horses which you thought were a pretty poor looking lot? In what respect did you think they were poor?—A. They were both thin in flesh and blemished, and some the worse of wear.
- Q. Blemished in what respect? Spavined, ringboned, foundered?—A. Yes, yes. There were all of the blemishes coming to them, I thought.
- Q. As regards the ages of these horses, what would you say?—A. I was not examining any horse as to age, anything further than the horses I knew.
- Q. Do you know that some of the horses there were pretty well up?—A. I do.
- Q. About how old was the oldest?—A. Of the horses that I knew?
- Q. Yes?—A. Oh, well, the horses that I would know how old they were would be horses that would be really raised alongside me.
- Q. And you knew their ages?—A. Yes.
- Q. About how old would the oldest one be?—A. I would have to think; I have seen horses there of all ages as far as that is concerned.
- Q. Did you see any horse there twenty years old?—A. I saw horses there twenty years old.
- Q. Were there any over that?—A. Yes, there were some there which looked as though they were.
- Q. Did they look as though they were twenty-five years old?—A. Yes.
- Q. Were there any there thirty years old?—A. I wouldn't say that. Not many horses live that long.
- Q. But there were horses there between twenty-five and thirty.—A. Yes.
- Q. Were these horses that you have described purchased by McKay?—A. Were they purchased?
- Q. Yes?—A. Some of them.
- Q. Some of the old horses?—A. Some of the old horses.
- Q. Did you see them ticketed?—A. I did.
- Q. Did you see the veterinary make any inspection of these horses?—A. Not what I would call an inspection.

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Q. What was he doing?—A. He walked around, looked at them and put tags on them.

Q. Did you see any dickering for price?—A. No.

Q. What was the procedure; did the veterinary put a ticket on the horse, and then the owner and McKay talked about the price? Was it about the same procedure as described by Harvey?—A. Harvey was describing chiefly what took place at Kingston.

Q. Did he describe the procedure there? The horses were ticketed, and then McKay and the owner arranged the price?—A. Yes.

Q. So far as you know did Chipman have anything to do with fixing the prices of these horses that were there?—A. I do not know.

Q. But you do know that McKay did?—A. McKay bought mine; those are the only horses I know about the prices.

Q. Were you present when any other deals were being made?—A. I was among the crowd, and the boys were all talking about what they were offering and what they got.

Q. Did McKay approach you?—A. He came around, and would ask what we wanted for these horses, and say: I will give you so much for this horse, or something like that.

Q. You did not hear Chipman making any bargain as to price?—A. No.

By Mr. Carvell:

Q. What was on the ticket that you say was put on the horses?—A. I don't know, there were figures and marks I did not understand.

By Mr. Kyte:

Q. Did you know a horse that a McGarvey sold?—A. Yes.

Q. Who was McGarvey?—A. James McGarvey, a man that lives back of me on the hill.

Q. Did you know his horse?—A. Yes.

Q. How old was that horse?—A. Ten years old.

Q. Could you give a description of the horse?—A. Well, I could, yes.

Q. Was he sound?—A. No.

Q. What were the blemishes?—A. Well, I was looking at him a day or two before, talking of buying him, and I looked at him quite carefully. I thought he had a spavin on one hind leg, and that he was foundering. He offered him to me—

Q. For how much?—A. He first asked \$150. I laughed at him; and he asked me if I would give \$125; and I said, no. I did not know at the time, but I afterwards learned—

Mr. DAVIDSON: That is hearsay.

By Mr. Bennett (Simcoe):

Q. Did you see his cheque?—A. No, sir.

Q. Then you do not know what he got?—A. I only know what he told me he got. I knew the horse pretty well. Speaking of that horse, I thought the day I looked at him that his wind was broken; and they always said, James McGarvey told me, after he had sold him that he had the heaves.

By Mr. Kyte:

Q. How much would he be worth?—A. I was not dealing in that kind of horses, and I do not know, I did not want him at all.

Q. You would not have him?—A. The reply I made to him was that I had no place for him.

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Q. He was sold that day?—A. I did not see him sold. He left him in Berwick.

Q. Do you know a Mr. Bowlby?—A. Yes, there are several Bowlbys that I know.

Q. The Bowlby who sold the horse to McKay?—A. There were several Bowlbys who sold horses to McKay at Kingston.

Q. Do you know Ingraham Bowlby?—A. I do.

Q. Is he a neighbour of yours?—A. Yes.

Q. Did he have a horse for sale?—A. He had two of them.

Q. Did you know them pretty well?—A. Yes, one of them particularly.

Q. How old was that one?—A. The one I knew particularly?

Q. Yes?—A. She would be seventeen or eighteen last spring.

Q. Is it a mare or a horse?—A. A mare.

Q. What were her characteristics, how was she as to wind and limb?—A. She had a very bad dose of the heaves.

Q. Was she spavined?—A. I think not.

Q. Any other defects?—A. I do not think so.

Q. Was that one sold?—A. He took her to Kingston and left her there. I was not at Kingston. He said he sold her, she did not come back.

By Mr. German:

Q. He said he sold her?—A. Yes.

By Mr. Kyte:

Q. And his other horse?—A. He was a good horse, that is, a good looking horse. He has only had him about a year, and if I remember right he bought him at six years old. He is an Island horse, and a fine horse.

Q. Did he sell that one?—A. No.

Q. He did not sell that horse, he still has him at home?—A. He took him down to sell him first, and he said that was not the kind they were buying, and he telephoned home to send the old mare down, and sold her.

By Mr. Carvell:

Q. Do you know a man by the name of John B. White?—A. I know several John Whites.

Q. He lives at a place called Grafton. Do you know that he played the same tricks as the other fellow did?—A. Well, I know there was a horse of that description went there and did not come back.

Q. From Whites?—A. Yes.

Mr. DAVIDSON: Should we not have some understanding about this matter. This will hurt the reputation of a good many people in King's County. It seems to me that it is very unfair to put a witness on the stand and ask him the gossip of the street in reference to what certain horses were like, and what they were sold for. Let the Committee insist upon getting direct evidence. You can call any of these men. For instance, the gentleman of whom Mr. Kyte has just been speaking has a reputation in King's County, and should appear here to give evidence in reference to what he was paid for his horse. My hon. friend knows that there is nothing that is so much talked about as horses, and there are all kinds of stories; and we bring a gentleman to tell these tales that he has no personal knowledge of, merely what he has picked up on the street. It does not seem to me to be right.

The WITNESS: If you will allow me, I have told you nothing that I have not seen or the men have told me themselves

By Mr. Bennett (Simcoe):

Q. Did you see White getting his cheque?—A. I did not, but I saw his boy coming home, after he had taken the mare down.

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Q. That is White or Bowlby?—A. White.

By Mr. Kyte:

Q. He did not bring the mare back?—A. He did not take her himself. He sent his boy with her.

Q. Do you know anything about the mare?—A. Yes, I have known her for many years.

Q. Describe her?—A. I would rather you would not press me to describe a horse I do not know. I have seen the mare always. I have seen her for a good many years.

Q. She is some ancient then, is she?—A. Yes. I would rather you would not question me.

By Mr. Nickle:

Q. You were at Berwick?—A. At Berwick.

By Mr. Kyte:

Q. Did you have any conversation with this man Bowlby about the mare taken to Kingston?—A. Yes.

Q. What did he tell you?—A. He had told me several times that he did not intend to winter her, and he told me that if he did not sell her he was going to kill her.

Q. Do you know Abner Woodworth?—A. I do.

Q. Where does he live?—A. He is one of my neighbours, about two miles from me.

Q. Do you know anything about his horse?—A. I do.

Q. Did he take a horse to Kingston?—A. Yes.

Q. Did he bring him back?—A. No, he did not.

Q. Do you know that horse?—A. I have seen it a good many years.

Q. How old would that horse be?—A. I never looked in his mouth, and I do not know only what he told himself.

By Mr. Kyte:

Q. That is one of Abner's Woodworth's, was he sold?—A. Yes, he says so. He did not bring him back, I have not seen him since.

Q. How old was he?—A. He said he was fifteen years.

Q. Do you know where Woodworth got him?—A. Yes.

Q. From whom?—A. Edward Bartaux, I think it was a mare.

Q. What did he pay Bartaux for the mare?—A. I only know that he told me last spring he bought her for \$50.

Q. Did he tell you how much he got for her?—A. He said he got \$130.

Q. Do you know a G. H. Oakes of Kings county?—A. Yes.

Q. Where does he live?—A. I think he lives at Kentville now.

Q. What does Oakes do, what is his business, is he a young man?—A. Yes.

Q. About how old?—A. I would say thirty.

Q. What is his principal occupation?—A. I think at present I have understood he was organizer for the Conservative party.

Q. In the county of Kings?—A. Yes.

Q. Do you know that he is associated with Mr. Foster politically or any other way?—A. I do not know anything further than what he told me in Berwick.

Q. What was that?—A. He asked me if I had a bunch of horses to sell. He said I am attending to the details of this horse business, and walked away.

By Mr. Nickle:

Q. You were at Berwick?—A. Yes.

Q. But not at Kingston?—A. No.

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Q. How many horses were bought at Berwick, just approximately?—A. Well, I think they told me 60. I know my horses, I think, were among the last, and I think he told me they had bought about 60.

Q. Who was doing the buying?—A. They said the man's name was Mackay.

Q. Who was the vet.?—A. Chipman.

Q. What do you know about Chipman?—A. What do I know about him?

Q. What do you know about Chipman?—A. Nothing further than his appearance.

Q. Is he a recognized authority in the district?—A. I do not know. He is called "Doc." Chipman.

Q. And practises in that county?—A. I do not know.

Q. Were you there the day these horses were bought?—A. Yes.

Q. You heard Mr. Harvey's evidence?—A. I did.

Q. You agree with it?—A. I do.

Q. Substantially?—A. Yes.

Q. You had sold a team of horses?—A. I had.

Q. And was the examination as superficial as Harvey said?—A. He simply walked around my horse.

Q. Did he run his hands over them?—A. No, sir.

Q. Try their wind?—A. No, sir.

Q. Test them for the heaves?—A. No, sir.

Q. Try their eyes?—A. No, sir.

Q. He made no examination at all?—A. I would not call it examination.

Q. He simply—?—A. He simply walked around it.

Q. Did he put this ticket on, did Chipman and the other vendors agree as to the price?—A. I beg your pardon?

Q. Did you and Chipman make any arrangement as to price?—A. No, sir.

Q. That was between you and Mackey?—A. Yes, sir.

Q. Did you read the ticket?—A. I tried to.

Q. What was on it?—A. There were a few figures and letters.

Q. Was there any printing?—A. I do not remember.

Q. Nothing about the age of the horse?—A. I do not think so.

Q. That ticket was put on by Chipman after insufficient examination?—A. Yes.

Q. He just run over the horse. Did you tie the horse to the fence?—A. No, sir. I left him in the harness.

Q. And Mackay came down the line?—A. He did not have to come further than from here to the window (indicating).

Q. What dicker took place?—A. He asked we what I wanted.

Q. And you told him?—A. I told him I had been asking four and half (\$450). He said he was not paying that price for horses.

Q. He said he was not paying that price?—A. He said he was not paying that price not over \$190, for any horse.

Q. And you agreed about the price?—A. I asked him what he would give me, and he said he would give \$375, for the pair.

Q. And you took it?—A. I did.

Q. And you thought your horses were worth that money?—A. I did.

Q. Were you present when the arrangement was made for the price of any other horse?—A. No, sir, I was simply in the crowd, watching the boys unharnessing their horses.

Q. Of your own knowledge, do you know what price was paid for any other horse?—A. Nothing further than that a man came to me and said, "I got so much," and others told me they got so much, that is all I know about it.

Q. And you think they were a scrub lot?—A. I would call them a very inferior lot of horses.

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Q. They were broken down and blemished?—A. They were blemished and broken down.

Q. They were not sound. Did you see the poster that was put up?—A. I did not.

Q. Do you know what these horses were required for?—A. I do.

Q. Was that generally known in the district?—A. I think so.

Q. Did you sign a receipt for the \$375?—A. I signed a receipt. I think it was, I was in a big hurry to get horses examined, they were tying ropes on their necks, and they were very uneasy, and he said, "Sign this", and I started to put my name and address and so on. He said, "All you want is your name as a receipt for the money." I noticed it was a receipt and put my signature there. I also noticed there was something there and I thought it was the number of the horses, but I do not know what it was really.

Q. It was a receipt for \$375?—A. For \$375.

By Mr. Nickle:

Q. Do you know how many horses were sold that day?—A. I could not tell you.

Q. He did not tell you how many he had bought?—A. I could not tell you how many, but I think he told me there were somewhere about 60 at the time.

Q. Why were not more bought?—A. Because he would not pay the price for a good horse. There were any number of good horses there.

Q. At what price would those horses be offered?—A. At \$200, \$225 and so on.

Q. But they would not pay that price?—A. He told me he had not paid over \$190 for any horse.

Q. Have you any knowledge of the sharing of profits with any one on those horses?—A. I haven't.

By Hon. Mr. Reid:

Q. Have you heard of anything like that?—A. No.

By Mr. Nickle:

Q. As far as you know the price agreed upon was paid to the vendors?—A. Yes.

Q. You have no knowledge, either directly or indirectly, of any commission in connection with the sale of those horses?—A. No, the men who sold them were all paid their price as far as I know.

Q. Did you notice that the sum written on your receipt was for the same amount of money that you got?—A. I did, I noticed that particularly.

Q. And you had that \$375 for your own use?—A. I certainly did.

Q. Did you give any profit to any person?—A. No, I did not.

By Mr. Davidson:

Q. You stated that you saw horses sold that were over twenty-five years of age, did you not?—A. I did not. He asked me if I had seen horses there over twenty-five years old.

Q. You did not see any sold?—A. That I know were over age?

Q. Did you see any horses sold that were over twenty?—A. Not that I know of.

Q. Did you see any sold that were over fifteen years old?—A. At Berwick? I do not remember, I might if I had time to think, but I don't remember. The Uhlman mare was sold at Kingston.

Q. You do not know of your own knowledge of any horse which was sold at Kingston?—A. I only know of neighbours taking them down and not bringing them back.

Q. They may have sold to somebody else?—A. They are not in the habit of buying them.

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By Mr. Carvell:

Q. Do you know of the horses that were sold at Berwick, whether they were left with the purchaser or whether they were taken home?—A. I think they were taken right down to the sheds and kept right there until the morning when they were shipped away.

Q. Then the possession passed over to the purchaser?—A. They had four or five men there, and as quickly as they were purchased they were led right away.

By Mr. Davidson:

Q. Did you sell any horses for the South African war?—A. Yes.

Q. To whom did you sell?—A. To A. E. McMahon, of Montreal.

Q. Did you sell many?—A. No.

Q. How many did you sell?—A. I sold a pair at one time and I sold two others at separate times, making four in all if I remember aright.

By Mr. Carvell:

Q. Were those horses examined at the time of the South African war?—A. They were, and a lot of them that I wanted to sell were turned down.

By Mr. Kyte:

Q. Do you know of any horses that were turned down at that time that were sold to McKay?—A. I know that I heard the Spur mare was supposed to be one that was turned down at that time; as being too old, she was turned down then.

By Mr. Davidson:

Q. What was the age for the South African war?—A. Nine years old.

Q. Do you know of many horses over nine years old being sold at that time?—A. I don't know of any, I had a mare and the veterinary wouldn't take her, said she was ten.

Q. You have signed a declaration or affidavit in connection with your sale, have you?—A. Have I?

Q. Yes.—A. No, sir, not any.

Q. Have you been engaged in collecting any declarations?—A. No, sir.

Q. You have been employed by Mr Wickwire to collect information, have you not?—A. I have not.

Q. Have you talked with Mr. Wickwire about getting facts in connection with the sale of these horses?—A. I may have, I am friendly with him, and talk about different matters with him; I think perhaps we have talked.

Witness discharged.

JOHN SELFRIDGE, called, sworn and examined.

By Mr. Carvell:

Q. Where do you reside?—A. Wolfville, N.S.

Q. Were there any horses bought there in September last for the Government?—A. They were supposed to be for the Government.

Q. Tell me who did the purchasing?—A. Mr. Mackay was said to be the man, I was never introduced to him, but they tell me that is his name, and he paid the money to me for my horse.

Q. Who was the veterinary?—A. Dr. Chipman.

Q. Do you know Dr. Chipman personally?—A. Yes.

Q. How long have you known him?—A. For about eighteen or nineteen years.

Q. Where does he reside?—A. Grand Pré.

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Q. What is his occupation or professional calling?—A. Veterinary surgeon, I think, I do not know whether he has papers.

Q. Has it been his business, has he been doing business as a veterinary surgeon?—A. Yes.

Q. What is his standing in the community?—A. What is his standing?

Q. It is a pretty hard question to ask, I know.—A. He has a very fine father, Dr. Chipman.

By Hon. Mr. Reid:

Q. What standing has he in the community?—A. That is a pretty delicate question to ask or to answer; it may be damaging to his character.

Mr. CARVELL: I think the witness is quite right in objecting to answer.

By Mr. Carvell:

Q. I am not going to ask about his professional standing as a veterinarian, but does he do the work usually performed by a veterinary?—A. He does some.

Q. Does he do anything else?—A. I think he does, I would not like to swear.

Q. As far as you know what else does he do?—A. I think that is his business as far as that goes.

By Mr. Davidson:

Q. Has he taken a course in veterinary science?—A. I do not know whether he has or not.

By the Chairman:

Q. Does he advertise in the newspapers?—A. Yes, he is called Dr. Chipman, Veterinary Surgeon.

By Mr. Carvell:

Q. What other business does he do?—A. I do not know that he has any other special business.

Q. Has he a farm?—A. No, his father is a medical doctor.

Q. Well, I am not here attacking Mr. Chipman or anybody else, we are only after the facts. Did you sell a horse to Mr. McKay?—A. I did.

Q. Will you tell me what took place from the time you commenced negotiations until you sold your horse?—A. They were buying horses at the hotel at Wolfeville. I had a horse for sale, I wanted to sell it because I hadn't work for it. I harnessed up one and drove up while they were buying. There were a good number of horses there and after I got there I had to wait quite a while because there were so many ahead of me before they came to my horse.

Q. Who did the examining and who did the buying?—A. Chipman was the man who examined my horse.

Q. What did he do?—A. He looked at the horse, he opened his mouth and pinched his throat. That was all he did to my horse.

Q. Did he run his hand over his limbs?—A. No, I don't think he did, he was a very clean limbed horse and you could see that he was clean without doing that.

Q. Did he take him out and test him to see if he was sound in any way?—A. No, he didn't drive the horse.

Q. Did he put a ticket on him?—A. I am not sure who it was put the ticket on, but somebody put a ticket on the horse, and Mr. McKay came out after he had examined the horse and asked me what I wanted for him. I told him, and he said it was too high.

Q. What did you offer the horse for?—A. \$200.

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Q. And what did he offer you?—A. He offered me \$170 and I asked him if he couldn't make it a little more; he said he couldn't make it five dollars more and I said, "Very well." I had the horse for sale I wanted to sell him, and I sold for \$170.

Q. Did you give good value in the horse that you sold?—A. I would say so.

Q. Was the horse sound as far as you knew?—A. He had a cough, otherwise perfectly sound.

Q. How old was he?—A. Either nine or ten, as far as I know.

Q. Did they ask you anything about whether the horse had a cough or the heaves, or anything of that kind?—A. Not a word.

Q. How long had the horse had a cough?—A. I think probably nine months from the first time I heard him cough.

Q. From whom did you buy the horse?—A. From Clarence Schofield.

Q. How long before?—A. About two months before.

Q. How much did you pay for him?—A. That is a pretty hard question to answer. I am dealing in farm implements. I made a trade in farm machinery, and some other things, and paid some money.

Q. I don't want to go into your private business, but did you give practically the same value for the horse as you sold him for?—A. No, I do not do business that way. I got him for less.

Q. Much less?—A. Quite a bit less.

Q. As a matter of fact didn't you buy this horse for considerably less than a hundred dollars?—A. No, sir.

Q. Now, do you know from whom this gentleman got the horse?—A. I think he got him from Roy Joudry.

Q. Do you know what he paid for it?—A. Only by hearsay.

Q. What was that?—A. What I have heard I cannot swear to.

Q. When you bought the horse did you know he had a cough?—A. I did.

Q. And did you know that he had a cough when the man from whom you got the horse purchased him?—A. He said he had a cough.

Q. Did he say that he had a cough when he bought him?—A. Yes.

Q. Now, was that not the reason you got the horse cheaper than you otherwise would have got him?—A. Very likely.

Q. How much did he weigh?—A. About 1,000, I never weighed him.

Q. Ten years old?—A. I think he was younger.

Q. Around that anyway. You got the horse cheaper than you otherwise would have done on account of the cough?—A. I got him reasonable; I got him in a trade; I took my chances.

Q. In ordinary parlance, the horse would have the heaves?—A. I would not say that.

Q. What was the nature of the cough?—A. He had taken a cold, and had a very bad cough. While I had him he got almost entirely over it.

Q. That cough you say lasted for about nine months?—A. From the time he first heard him cough.

Q. You knew him for some time?—A. Yes.

By Mr. Kyte:

Q. Were you feeding him on grass?—A. No, I was feeding him hay, but I fed him some herbs, we had on account of his cough.

By Mr. Carvell:

Q. Some preparation?—A. Some weeds.

By Mr. Kyte:

Q. Green grass?—A. It was herbs.

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By Mr. Carvell:

Q. Something supposed to be a preventive for coughs?—A. It is a medicine I have used for a cough.

Q. Now, I suppose there is no trade mark or patent for it?—A. I don't know that there is; there is plenty of it growing; if you know where to get it, you can find it yourself. It is green burdock.

By Mr. Nickle:

Q. Were you treating him for the heaves or the cough?—A. The cough.

Q. Not for the heaves?—A. His stomach was out of order; I gave him burdock leaves, and he ate it like clover.

Q. Was his cough better?—A. It got better right away.

Q. Was it better at the time the sale went through?—A. Nearly well.

Q. Was he a good looking horse?—A. He was a first-class horse.

By Mr. Carvell:

Q. In good condition?—A. In good working order, not fat.

By Mr. Nickle:

Q. Did you know what they were required for?—A. Yes. I think he was fit for an officer's horse, a first-class horse.

By Mr. Carvell:

Q. Did you have some doubts about his being fit for a charger?—A. I did not have any doubts. I had driven him two miles as fast as he could go, and there were no signs of anything wrong with his wind.

Q. You sold another horse?—A. I had two for sale, but I only sold him.

Q. The other one?—A. Was a four years old stallion.

Q. Being an entire horse they did not want him?—A. They did not want him. He did not put any price on him because they did not want him.

By Mr. Kyte:

Q. Do you know T. C. Woodworth, a son of the late Douglas Woodworth?—A. Probably I do. I know Douglas Woodworth's son, but I do not know what the initials would be.

Q. Did you see him around Wolfville at the time?—A. No, I did not see him at that time.

Q. Did you see him at all during last summer?—A. I think I did, but not in connection with the horse business.

Q. Where did you see him?—A. Well, I have seen him a time or two in Wolfville within the last six or eight months, but had no talk with him.

Q. When did you last see him?—A. It must have been two months ago, maybe two months ago as near as I can remember.

Q. You have no idea where he is now?—A. Not the least.

Q. Did you know he was connected with it?—A. I did not know anything about it, only what I have heard within a few days.

By Mr. Edwards:

Q. You said you drove this horse two or three miles very fast, and it did not affect his wind. Would you not consider that pretty conclusive evidence that the horse did not have the heaves?—A. Yes.

Q. Did you consider that the Government got good value for this horse in the price they paid?—A. I consider they did, as far as my judgment goes.

Mr. J. SELFRIDGE.

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By Hon. Mr. Reid:

Q. You signed a receipt for the money?—A. I signed a paper, but I could not tell whether it was a receipt. I know I signed a paper.

By Mr. Nickle:

Q. Was the amount filled in?—A. There was some printing on it, and some figures but I had not my glasses on; I could not tell you exactly what it was, but I supposed it to be a receipt.

By Hon. Mr. Reid:

Q. You believed it was a receipt?—A. I did not know that. He said: Sign the paper, and I signed it.

By the Chairman:

Q. As for a receipt?—A. I supposed it was.

By Mr. Bennett (Simcoe):

Q. You did not give any part of the money to any person for the sale?—A. No, sir, not much.

Witness discharged.

THOMAS HUTCHINSON called, sworn and examined.

By Mr. Kyte:

Q. Where do you live?—A. Wolfville, N.S.

Q. King's County?—A. Yes.

Q. What is your business?—A. Liveryman.

Q. Do you remember when horses were being bought by the Militia Department last summer?—A. I do, sir.

Q. Were there any purchases of horses made in Wolfville?—A. Yes, there were.

Q. Who was doing the buying?—A. Mr. Mackay and Mr. Chipman.

Q. The veterinary?—A. Yes, the veterinary.

Q. Did you see T. C. Woodworth around there?—A. No, sir, I do not know him.

Q. Did you sell some horses?—A. Yes, sir.

Q. How many did you sell?—A. Six.

Q. Now, we will have to take these sales separately. Will you describe the horses and the prices you got for each horse?—A. Yes, sir.

Q. You were taking them altogether?—A. They went into my stable and they wanted to know if I had any horses to sell.

Q. Who went in?—A. Dr. Chipman and W. P. Mackay. They said: Have you any horses to sell for the War Department. I said: I have. So they told me to bring them out on to the floor. I brought them out, and they looked them over; some they sent back into the stable, and some they said to tie them up. They tied up what horses they wanted to reserve and sent the rest back into the stable.

Q. What sort of an examination did Chipman make of these horses? Tell us just what he did?—A. Dr. Chipman went over the horses and examined them, examined their legs, examined their teeth and their throats, and also lifted up their feet and examined their feet; asked me a great many questions about the horses. I told him as near as I knew about every horse.

Q. We will have to designate them as first, second, third, and so on?—A. The first horse I sold was a sorrel horse, and the next—

Q. How old was this first horse?—A. That horse was about nine years old, as near as I knew.

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Q. How long had you had him?—A. I had had him two years.

Q. Using him in your livery business?—A. Yes.

Q. From whom did you buy that horse?—A. I bought that horse from a butcher in the town of Wolfville. His name is—I am only there a short while; but he was a prominent butcher there.

Q. A butcher in Wolfville?—A. Yes.

Q. What did you pay him?—A. I paid \$165 for him.

Q. What did you get for him?—A. I got \$160 for him.

Q. Was the horse sound?—A. Yes, sir. The horse was perfectly sound.

Q. Had no blemishes?—A. No, sir.

Q. As to wind or limb?—A. No blemishes whatever. He is a very sound, rugged horse.

Q. Who made the price?—A. Mr. Mackay.

Q. After Chipman put a ticket on him, I suppose?

By Mr. Davidson:

Q. How did you sell them?—A. They were all bought in a lump. I had thirty odd horses; they brought them all out and examined them, and those that they thought were not fit they sent back into the stable, and there were six out of the lot that they secured for war purposes. I could have sold them all if they would have taken them.

By Mr. Kyte:

Q. Now the second horse?—A. The second horse was a bay horse.

Q. Age?—A. Seven years old.

Q. Did you raise him yourself?—A. No, sir.

Q. From whom did you buy him?—A. From Mr. Wm. Bishop.

Q. How long had you had him?—A. Let us see, either two or three years, I am not sure which.

Q. What did you pay for him?—A. He was just a colt when I bought him and I paid \$145 for him I think.

Q. And you used him three years in the livery business?—A. Yes.

Q. What did you get for him?—A. \$160.

Q. Was this horse sound in every way?—A. Sound, sir.

Q. And the third horse?—A. Was a black mare.

Q. How old?—A. She was seven years old.

Q. Where did you get her?—A. In New Glasgow.

Q. How long did you have her?—A. I had her about two years.

Q. What did you pay for her?—A. \$195.

Q. What did you get for her?—A. \$160.

By Mr. Boys:

Q. You got so much for each horse?—A. I got \$160 apiece.

Q. You sold all in a lump?—A. I got \$160 each for the six of them, he bought them in a lump.

By Mr. Kyte:

Q. \$960 for the six horses?—A. Yes.

Q. How old were the other horses?—A. The first horse I sold was the oldest horse in the lot; the others were anywhere from six to nine years.

Q. You say there were horses you had been using in your business.—A. Yes, there weren't any of them I had used for three years.

Q. And they were all sound?—A. Perfectly sound.

Q. Do you know Andrew Westcott?—A. Yes.

Q. Where does he live?—A. Across the road.

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Q. Did he sell a horse to them?—A. Yes.

Q. Where did he sell his horse?—A. In my yard.

Q. Did you know that horse?—A. I didn't know it personally.

Q. You don't know how old he was?—A. No, sir.

Q. Or whether he had any blemishes or not?—A. No, sir, I do not.

Q. How much did he get?—A. I could not say as to what price he got.

Q. You could not say unless you were present when the bargain was made?—A. I was present, but I was very busy at the time and I really could not say anything in regard to the price of any of them.

Q. While you will say nothing about the price, as an experienced horseman what would you say as to the character of this horse?—A. Well, I really do not know this horse.

Q. How did he appear?—A. As far as looks, he was good.

Q. He was a good-looking horse and was in good condition, was he?—A. They were all in good condition.

Q. I am speaking of this one?—A. Yes, it was in good condition as far as I could see.

Q. Did he have any blemishes that you noticed?—A. No, sir.

Q. You did not examine him at all?—A. I didn't examine him.

Q. You don't know how much he got for him?—A. No.

Q. Do you know the horse that was sold by J. Elliott Smith?—A. Yes.

Q. Where does he live?—A. He lives at Greenwich.

Q. Where was this horse bought?—A. In my yard.

Q. Did you know that horse for a length of time?—A. Yes.

Q. How long had you known him?—A. I had known him for, I guess, three or four years.

Q. How old a horse would you say that was?—A. Well, I never took any particular notice of the horse, he was driven into the yard a great many times in the year.

Q. And for how many years did you know him?—A. For three or four years.

Q. Do you know if Smith raised the horse himself or bought him?—A. I think he bought the horse, I am not quite sure.

Q. Could you say the horse was ten years old?—A. I should almost think the horse was ten years old, yes.

Q. Would you say he was twelve years old?—A. I could not swear to that, he was a fine-looking horse.

Q. A good family horse?—A. Yes.

Q. You would not say that he was twelve years old?

Question objected to by Mr. Reid.

A. I would almost think he was ten years.

By Mr. Davidson:

Q. Did you ever examine his mouth to ascertain his age?—A. No, I did not.

By Mr. Kyte:

Q. Did the veterinary examine the horse that day?—A. Yes.

Q. What examination did he make?—A. This particular horse you have reference to?

—A. Yes?—A. I really couldn't say exactly. He examined him the same as all other horses that were brought in as far as I could say, he was round about them all the time.

Q. You cannot undertake to say what examination was made in this case?—A. No.

Q. Do you know what Smith got for his horse?—A. No, sir, I haven't any idea.

Mr. T. HUTCHINSON.

By Hon. Mr. Reid:

Q. You got \$960 for your horses?—A. Yes, sir.

Q. Did you sign a receipt?—A. Yes, I think I did, I signed something in the office, I was in a great hurry looking after the horses that were coming in and going out at the time, and I did not take any notice.

Q. Do you know the amount of the receipt?—A. There was \$960 on the piece of paper that I signed.

Q. And you were told it was a receipt for the horses?—A. Yes.

Q. And you got the \$960 when you signed the receipt?—A. Oh, yes.

Q. And that money was for your own use, you gave no commission at all?—A. Not at all.

Q. So far as you were concerned it was a straight sale for \$960, without any commission to anybody?—A. Yes, it certainly was.

Q. And you gave good value for it?—A. I gave good value. Had it not been on account of the war they would not have got them for \$200 each, but I had so many horses on my hands.

By Mr. Davidson:

Q. Do you know Chipman?—A. Yes.

Q. Is he a veterinary surgeon?—A. Yes, he is supposed to be. He has passed, I think.

Q. Do you think he is an efficient man?—A. Well, he certainly gets a lot of work through the country, and I had a horse that was sick and I do not think he would have lived if Dr. Chipman hadn't come on the spot; we went after him with an automobile and I think he saved the horse.

By Mr. Kyte:

Q. I want to ask you with reference to Mr. J. Elliott Smith, he is a reputable man?—A. I think he is one of the best men we have in the county.

Q. And he would not be guilty of putting anything over on the Government?—A. I think not.

Q. You say one of these horses you got for \$145, do you remember that?—A. Yes.

Q. Was the horse worth as much when you bought it as when you sold it?—A. He was only a young horse when I bought him, three years ago, and was worth a great deal more when I sold him, he was only half broken when I got him; that horse was well worth \$175, and more when I sold him.

Q. What was the highest price paid for horses in Wolfeville?—A. I think there were quite a few marked for \$200.

Q. Do you know of any that were?—A. Yes, Mr. Low of Gaspereaux had two very fine horses he wanted \$220 for each, and they wouldn't give him over \$200.

Q. Were you there?—A. I was not there.

Q. Who told you about it?—A. Mr. Low.

Q. You were not there when the money was passed?—A. But he told me.

Q. You only know what he told you?—A. Yes.

Q. You said you keep about thirty horses?—A. Yes.

Q. And every year you sell a certain number of your horses and buy others?—A. We sell in the fall of the year, as a rule.

Q. But if you can get a chance a month or two earlier you would sell?—A. I would not sell any horses in the tourist time.

Q. What time did you sell these horses?—A. I think it was the first of August, sometime in August or September.

Q. It was in September, was it not?—A. Yes, in September.

Mr. T. HUTCHINSON.

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Q. Between the middle and the 20th of September?—A. I think it was.

Q. How long does the tourist season last there?—A. Up till about the first of October, somewhere around there.

Q. I thought you were always open to sell some of your horses?—A. Yes.

Q. You do not keep them over winter if you can sell them?—A. I generally keep twenty-eight.

Q. And you always sell a few horses every fall?—A. Yes.

Q. And you replace them by buying again the following year?—A. Yes.

Q. As a matter of fact after the horses have been in the livery business for three or four years you prefer to sell them, and change horses?—A. I have one or two in the stable that I have had for a number of years.

Q. But, as a rule, after you have had three or four years out of the horses in your stable you sell them or exchange them and get other horses in their places?—A. Yes.

Q. That is what you did in this case, you have bought some horses since, have you not, since you sold to the Government?—A. No, sir, I sold these horses simply because my business had gone down on account of the war and I really had to sell them. They were nice horses, I would not have sold them at \$200 apiece at that time of the year if my business had been as it used to be.

Q. But you sell horses every year?—A. I sell a few.

Q. Did you know a man named Keever in connection with the buying of these horses?—A. No, sir, I never heard tell of him.

By Mr. Davidson:

Q. You had thirty horses, and these six were the only ones that suited them?—A. Yes.

Witness discharged.

J. M. ROBINSON, called, sworn and examined.

Mr. KYTE: I may say that I am instructed this is not the gentleman who was expected to be present, but I will see if he knows anything about this matter.

By Mr. Kyte:

Q. You are in the livery business in the city of Halifax?—A. Yes.

Q. And you always have a number of horses on hand?—A. Yes.

Q. Do you remember selling any horses to the Militia Department last year?—A. I sold them two.

Q. To whom did you sell the horses?—A. I do not know the buyer, one man examined them, and the other paid the money, but I do not remember the names.

Q. Was the veterinary Dr. Gough of Halifax?—A. He was with them, there were three, but the two men that were examining and paying for the horses I do not know.

Q. Would you recognize the names if you heard them? Was one of them Woodworth?—A. I think Woodworth was one of the men, I would not be sure.

Q. Was the other veterinary Dr. Wood?—A. I do not know, he told me he belonged to Montreal.

Q. Not Hamilton?—A. No, he told me he came from Montreal, I remember that.

Q. Who was it approached you with a view to purchasing the horses?—A. I saw the posters on the exhibition fence in Halifax.

Q. Then you sought them out?—A. I sent the horses to them at the Exhibition Grounds.

Q. They were at the Exhibition?—A. At the Exhibition grounds.

Q. How many horses did you take there?—A. I took out seven.

Q. And they bought two?—A. They bought two.

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Q. Describe the horses that they bought?—A. One was a bay mare that weighed about 1,150, black points.

Q. How old was she?—A. I bought her for eight years old.

Q. And how long had you had her?—A. About a year.

Q. Was she older than that?—A. I think the age was right.

Q. What did you get for her?—A. \$170.

Q. Was she sound in all respects?—A. Yes, she was sound as far as I could see.

Q. Had she the heaves?—A. No.

Q. Had she blemishes?—A. No blemishes that I could see.

Q. Who was it paid you the money?—A. That gentleman from Montreal, I forgot his name, I heard it at the time.

Q. Would it be Keever?—A. I don't just remember the name. I simply met them there.

Q. You would not remember the name if you heard it again?—A. No, he was a short thick set man about 45.

Q. And Dr. Gough was the veterinary that examined them?—A. This man that paid the money and the vet. both came, I understand, from Montreal and Dr. Gough was there from Halifax. Whatever the veterinary said, went.

Q. You could not say whether his name would be Woodworth or Keever?—A. I could not say.

Q. What about the other horse you sold?—A. The other horse was a bay horse.

Q. How old?—A. Nine years old.

Q. How long did you have him?—A. We had him three months.

Q. What did you get for him?—A. \$150.

Q. In what condition was this horse?—A. Good condition.

Q. Did he have any?—A. No blemishes.

Q. Of any kind. There is another firm in the livery business by the name of Robinson, is there not?—A. Yes.

Q. What is that firm's name?—A. There are two, Wm. Robinson and Robinson Bros.

Q. Which of them is Robinson Limited?—A. That is us.

Q. Wm. Robinson, is that the name?—A. He runs a riding academy.

Q. He does not do a general livery business?—A. No.

Q. What is the other?—A. The other people do an express business, and heavy teaming.

Q. What is that firm?—A. Robinson Bros.

Q. What are the names of that firm?—A. There is just the one, Thomas.

By Hon. Mr. Reid:

Q. That is the express firm?—A. Yes.

Q. You are really the only livery?—A. Yes.

By Mr. Kyte:

Q. These express people keep a lot of horses also?—A. I telephoned him when I got this telegram to come here, and he said he had not sold one. I telephoned them thinking they might have been meant.

Q. That is Thomas Robinson?—A. He said he had not sold any horses at all.

Q. The other Robinson is Wm. Robinson?—A. He runs the riding academy and boarding stable.

Q. Do you know as a matter of fact that the other Robinson sold some horses?—A. I know, yes.

Q. He sold some horses all at the same time?—A. Yes.

Q. Were you present?—A. I was not present.

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Q. Do you know a horse that Harry Bauld formerly had for a driving horse?—A. Yes.

Q. To whom did he sell that horse?—A. I do not know. He was in Wm. Robinson's stable.

Q. Was that horse sold by Wm. Robinson?—A. I understand he was.

Q. You knew that horse pretty well?—A. Just knew him, saw Mr. Bauld driving him.

Q. How long have you known that horse?—A. We have a blacksmith's shop in connection with our business, and we have been shoeing the horse for four or five years.

Q. Who owned him?—A. Mr. Bauld.

Q. Do you remember longer back than that?—A. I do not remember the horse back of that.

Q. You do not know as to the horse's age?—A. No.

Q. Do you know how much he got for that horse?—A. No, I do not.

Q. Your name is William?—A. No, George.

Mr. KYTE: It is the other Robinson that is really the man we should subpoena.

By Hon. Mr. Reid:

Q. Was that horse in good condition that Mr. Kyte was just asking about, the Bauld horse?—A. He looked in very good condition. I might say that the first one we got \$170 for, she cost us \$350.

By Mr. Kyte:

Q. When?—A. About a year before that.

Q. Why did you sell her?—A. She was too much of a horse for a livery, too full of life, nervous. I got her—you might perhaps know the horse—I got her from Max Freed in Glace Bay. It is one of a pair that Max got, I think they were imported from Ontario.

Q. Was she very nervous?—A. She would not take to the cars or the autos. You could give her any amount of work.

Q. Would that be a suitable horse for military purposes?—A. She would make a beautiful charger.

Q. A horse that would shy at a street car?—A. You could take and ride her—

Q. Assuming there was nothing to frighten her?—A. She wanted lots of work, and in the livery we could not give it to her. We knew that she would get all that was coming to her later on.

Witness discharged.

Mr. HENRY CHUTE called, sworn and examined.

By Mr. Kyte:

Q. Where do you live, Mr. Chute?—A. Berwick.

Q. King's County, Nova Scotia?—A. Yes.

Q. What is your business?—A. Orchardist, or farmer.

Q. Did you sell any horses to the Militia Department last summer?—A. Yes, I sold one.

Q. To whom did you sell him?—A. Well, to Mr. Chipman, Dr. Chipman was there, I presume Mr. Mackay, though I do not know Mr. Mackay, I do not know him, I presume he would not know me.

Q. Did you hear anybody addressed by the name of Keever?—A. I did not.

Q. Do you know T. C. Woodworth, formerly of Kentville?—A. No, I do not.

Q. You did not see him?—A. I was not in Berwick frequently.

Q. What kind of a horse was it you sold?—A. I sold a chestnut mare.

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Q. How long did you have her?—A. I had her two years.

Q. From whom did you get her?—A. I got her from a man in Aylesford, Mr. Brennan, I think.

Q. How much did you pay for her?—A. I paid about \$160.

Q. What did you get for her?—A. I got \$165.

Q. What condition was she in?—A. She was in good condition. She was built up.

Q. Did she ever have any sickness?—A. Never.

Q. Was she affected with the heaves?—A. No.

By Hon. Mr. Reid:

Q. Sound in wind and limb?—A. Yes.

By Mr. Kyte:

Q. How many horses did you have last summer at that time? Was that the only horse you had?—A. Oh, no, I have my team horses.

Q. How many altogether did you have?

By Hon. Mr. Reid:

Q. Did you have a team and this one you sold, three horses at the time?—A. Yes.

Q. Just the three, that was all you owned?—A. Yes.

By Mr. Kyte:

Q. Where did you sell this horse?—A. Berwick.

Q. You sold him at Berwick. Who made the examination of the horse?—A. Mr. Chipman.

Q. What did he do when you took the horse to Berwick? I suppose there were a great many others there at the time. What did you do when you arrived there with that horse?—A. As the rest did, I simply offered him for sale.

Q. Tied her up?—A. No, I did not tie her up.

Q. Who was the first to come to your horse, Chipman or Mackay?—A. Chipman came.

Q. He looked over your horse, did he put a ticket on him?—A. Yes.

Q. After that you saw Mackay?—A. Yes.

Q. Who fixed the price?—A. Mr. Mackay.

Q. Was it he named the \$165?—A. Yes.

Q. As the price that he would pay? Did you sell any horses at Kingston?—A. No.

By Hon. Mr. Reid:

Q. Did you sign a receipt for \$165?—A. I signed a document, I would not swear it was a receipt; I think it was supposed to be a receipt.

Q. For \$165?

By Mr. Davidson:

Q. What was the highest price paid for horses at Berwick?—A. Well, I can only speak from hearsay.

Q. As far as you know?—A. \$200.

By the Chairman:

Q. Hearsay that day on the spot?—A. No, S. B. Chute told me. I have no reason to doubt his word.

MR. H. CHUTE.

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By Mr. Kyte:

Q. Have you any personal knowledge as to the lowest price?—A. I did not see anybody getting their pay.

Q. Or any bargain made?—A. No.

By Mr. Davidson:

Q. Do you know of Mr. Chute's selling some horses to the Government?—A. I do.

Q. What would you say they were worth?—A. They were valuable horses.

Q. What are they worth?—A. I would suppose that these horses would be worth at least \$500.

By the Chairman:

Q. A pair?—A. In Berwick. In fact, Mr. Chute told me so.

By Mr. Kyte:

Q. Do you know if he sold them?—A. I know he sold them.

Q. How do you know?—A. By his—

Q. What he told you?—A. I knew the horses, I saw them in the car.

Q. When they were shipped?—A. Yes.

By Mr. Davidson:

Q. Some evidence was given, or some examination made, in reference to a horse sold by J. Elliott Smith to the Government. Do you know if J. Elliott Smith is the secretary of the Liberal party in King's county?—A. I do not know that he is, no. I might say that I think he is, I do not know that he is.

Witness discharged.

Colonel WM. MCBAIN recalled.

WITNESS: I have this statement now.

By Mr. German:

Q. I do not know who asked for that statement?—A. I was to present a statement here at three o'clock showing the total amounts expended in connection with the Valcartier properties.

By Mr. Boys:

Q. Will you give us first the total expenditure?—A. The total consideration is \$259,270.

Q. Does that total include all the closed deals and the total of the deals still open?—A. It includes the consideration for the deals still pending, based on the valuation. It will be considerably less than that for the reason that there is a part of the area which we are not going to take in, as it is not required.

Q. Supposing the total is less will that affect the amount of your commission?—A. Yes.

Q. You will only get commission upon what absolutely goes through finally?—A. That is correct.

By the Chairman:

Q. It is distinctly understood that the total does not include anything for land damages?—A. I have here a signed statement which I would like to put in (reads):—

OTTAWA, April 7, 1915.

With regard to the acquisition of the Valcartier camp area and my connection with it, I should like to state that as an experienced agent I have from time to time been engaged by railway and other large corporations in the purchase and valuation of large areas and I have myself bought and sold many

Colonel MCBAIN.

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thousand acres of western farm lands for development by Canadian, British and American farmers. But apart from such professional services as I have been called upon to render to the Canadian Northern Railway Company, I am in no way connected with the company and I have never received any salary from it. From the fall of 1901 until late in 1905 I was manager of a large loan and private banking concern and since then I have been in business for myself. During these past fifteen years I have therefore necessarily had considerable experience in property and other transactions in all parts of the Dominion.

Being born and brought up in Valcartier, I necessarily had a very intimate knowledge of the whole district and its values, both for agricultural and military purposes, and I suspect that it was because of this that the Minister of Militia entrusted to me the work of acquiring such properties as were necessary for the purposes of the Department of Militia and Defence. The statement, therefore, made in the House of Commons on Monday, March 1, 1915, that I was not known to any of these to whom notice of expropriation was addressed is entirely contrary to the facts. Every owner of land in the surrounding country is personally known to me.

At the request of the Minister I first took this matter up in June, 1912. In November of that year I received definite instructions to obtain options, but after making all arrangements and engaging men I found that options had already been taken on some of the property. I reported this to the Minister and he advised me to abandon the deal for the time being, and asked me to report on another prospective area in a different part of the country. I spent some time on this work and reported against the proposition as undesirable and too costly on account of the great amount of work necessary to remove standing timber and prepare the ground.

In June of 1913, the options above referred to having in the meantime expired, I again undertook to secure control of the Valcartier property and this work has been going on ever since, though much difficulty has been encountered in arranging terms.

I made numerous trips to Quebec during 1912 and the early part of 1913. I was in Quebec almost continuously from August 26 to August 29. I spent eleven days in Ottawa and Quebec in November, ten days during December, about a week during January of 1914 and twelve days of March. From that time on, a large part of my time has been given to this business and in addition I have paid considerable sums of money in obtaining the necessary assistance to get the purchases completed on an economical basis. Moreover, it is quite obvious that a great deal more time and labour have still to be expended before anything like a complete and satisfactory termination can be hoped for and I may say that our difficulties have been largely increased by the interference of outside parties. I have had for many months to maintain a salaried man on the ground looking after the interests of the department and keeping in touch with the owners of property, and endeavouring, as far as possible, to secure voluntary agreements with the farmers.

I find on reference to my books that my expenses in connection with this deal had up to April 1, 1914, actually exceeded \$3,000, and on a moderate estimate I should say that at least an equal additional sum has since been expended by me in connection with this business. In these circumstances, therefore, it will easily be seen that in proportion to the amount of time and expense incurred my commission is of very modest dimensions. Furthermore, I would say that in addition to all this I personally advanced on behalf of the Department nearly \$20,000 to make sure of properties for the purpose of which no money was available owing to the fact that the Order in Council had not then been passed.

Colonel MCBAIN.

APPENDIX No. 3

As to prices which we have offered to farmers for their properties I know and can prove that the estimates which farmers placed on their lands prior to the negotiations were far below the amounts which we have been and are prepared to pay and I firmly believe that had the vendors been offered by private individuals the prices which the Department has been agreeable to pay they would readily have accepted.

At the commencement of my operations in Valcartier I engaged three well known valuers, all of whom through experience have a thorough knowledge of the country, and who have lived in the parish for a number of years. One of them still resides in the parish and two are living in Quebec. I secured the services of a fourth valuator residing just outside the required area, to act independently of the others, and without having had any knowledge of the first valuation his appraisal varies but little from that of the others.

It has been stated that owing to their inability to gather their crop some of the farmers are reduced to stringent circumstances. I may say that I have in my possession signed receipts from the farmers whose crops were destroyed, acknowledging the payment in full of compensation for damage to crops and trespass. I consider that liberal compensation was given for the crops as they were paid for at the outside market price although they were at the time immature and standing on the ground. I have been assured by a great many people that the allowances in these cases were very generous.

Witness to signature:

(Sgd.) W. McBAIN.

FRANK MYNOTT,

April 7, 1915.

There are only four or five, probably six cases we have not been able to settle for in the way of damages and the reason is I think they are acting contrary to their own interest. I have the list of all the damages here which I am fying:—

List filed as follows:

VALCARTIER.

CROP DAMAGES.

Adams, Mrs. Thos.	\$363 00
Adams, John	630 00
Aikins, Alex.	650 00
Billing, Thos.	400 00
Aikins, Adam	450 00
Billing, Curtis	700 00
Billing, W. J.	360 00
Boyles, Jas.	42 00
Brown, Hopper	750 00
Brown, Walter	861 65
Conway, Maurice	222 00
Crawford, Henry	50 00
Crawford, Wm.	809 75
Fogarty, Jeremiah	1,000 00
Gough, Patrick	478 25
King, Patrick (Cod. 22)	120 00
King, Patrick (Cod. 20)	425 00
Lyons, Wm.	245 00
Hicks, Alf. J.	50 00
Hicks, Chas.	50 00
Holton, Thos.	625 00
Ireland, Wm.	100 00
Jack, Wm.	55 00
Jones, Mrs. Lizzie	35 00
Knox, Thos.	700 00
Leddy, John	434 00
Neil, Thos.	640 00
Lepine, Alf.	150 00
McBain, Graham	126 00
McBain, Thomas	300 00
McCoubrey, John	423 00
McCoubrey, John Allen	704 00
McKinley, Oliver	83 00
McLaughlin, Hugh	550 00

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Neil, George...	321 00
Penney, L...	850 00
Penney, Robert...	517 00
Pinkney, Margaret...	250 00
Smith, Frank...	83 00
Thompson, Geo...	400 00
Thompson, F...	356 00
Wolff, Geo...	152 00
Hamilton, Adam...	25 00
Smith, Richard...	100 00
Seeds, Mrs. Samuel...	20 00
	<hr/>
	\$17,767 15

I would like to draw attention to the fact that in some cases the damages seem high, but you must take into consideration where the damages are high I made a deal for the property and the damages at the same time and that made it a little less for the property than it otherwise would have been.

By Mr. Boys:

Q. What is the total of the crop damages?—A. \$17,767.15, and I have the receipts, I think, with me.

Q. How many cases does that involve?—A. 46 cases.

Q. Then you mean to say that in each of these cases you, or somebody representing you, negotiated with these people and finally made a settlement?—A. Not only that, but we had to bring the valuers out, I would not use the valuers from that district, and I brought them from outside points.

Q. I think you have, perhaps, made it plain that, as far as these 46 settlements are concerned, you have not charged, and you do not intend to charge, anything whatever for commission?—A. Not for my services.

Q. Your commission for the land covered that?—A. Yes, since I first took up this work I have given my entire time to the business of the Government.

Q. And the total expenses involved in your commission of 5 per cent runs to how much?—A. It would run about \$6,000.

Q. So that any profit which you would get out of five per cent commission on the \$259,000 odd would be the difference between the amount of your commission and your expenses which are, in round figures \$6,000?—A. Yes, I think it would be only fair to General Hughes to state that when I mentioned 5 per cent commission in the first place he objected and said that 2½ should be the amount. I would not take that, because I knew the trouble I would be put to. I have to include in my expenses what I have to pay certain men for helping me in getting this property.

By the Chairman:

Q. What is the amount of the damaged crops used by the Department of Militia?—A. I was just going to draw your attention to the fact that I have receipts in my possession running in the neighbourhood of \$12,000. It was estimated by Colonel Murphy, who was in charge and had something to do with the remounts for the Overseas Force that I delivered \$12,000 worth of feed to the horses from the damaged crops.

Q. The land on which those crops were cut was absolutely required for the Valcartier Camp?—A. Absolutely.

Q. There is no doubt about that?—A. Absolutely to meet the requirements.

By Mr. German:

Q. You have said that you could have got this land cheaper except for the options that had been taken?—A. Yes.

Q. Before you appeared on the scene or after?—A. Before—it was between the time I was first instructed and the time I started operations.

Colonel McBAIN.

APPENDIX No. 3

Q. When were the plans filed by the Government in the Registry Office?—A. On the 12th of September, 1913.

By Hon. Mr. Reid:

Q. Where these options taken by private individuals or by somebody on behalf of the Government?—A. By private individuals, they were interfering with my work, they expected to get higher prices.

By Mr. German:

Q. You say these plans were filed on the 12th of September, 1913?—A. Yes.

Q. Were any options taken on any of this land after the date of the fying of the plans showing the land you would take?—A. I suppose there were two or three.

Q. You have made the statement that you were held up in the prices of the land by reason of the options on this land being taken after the Government had started in to purchase. Now the Government fyled their plan in September, 1913. Were any options taken on any of that land by any person after the Government plans were filed?—A. I couldn't tell you, I don't know.

Q. Why do you say that options on this land held up your purchase?—A. In the first place for the simple reason that I went in to take up options and found that these other options were already taken by others prior to the fying of the plan.

Q. Then it was prior altogether to the fying of the plan, and prior to any idea among the people that the Government was going to take the land. You did not tell us that this morning?—A. Did you want me to tell them it was for the Government?

Q. You led me to believe, and I think you led the whole Committee to believe, that you were held up on the prices of this land by reason of the fact that people had taken options after the Government had startel in to purchase?—A. I did not intend to give you that understanding, and I do not think there is any other man on this Committee so understood me.

Q. Every man in this committee thought so and that is what you said?—A. I beg your pardon, I did not.

Q. We will see it in your evidence.

By Mr. Boys:

Q. Did you not say that the matter had leaked out?—A. Leaked out in 1912.

Q. Your operations were called off until the options expired at the end of six months?—A. Quite right.

By Mr. German:

Q. You say you know this land and the people?—A. I do.

Q. Tell me who got options that interfered with you buying?—A. I have the options in my pocket, fortunately.

Q. Not the options that you took?—A. I am getting the original options taken by another man.

By Mr. Boys:

Q. The ones that interfered with you?—A. Yes, (producing). Walter Brown, to John D. Duchene, expired 16th June, 1913.

By the Chairman:

Q. Gave an option to Duchene?—A. Yes.

By Mr. Boys:

Q. Are the amounts named?—A. Yes. Do you wish me to read them all? (Reads)

"I hereby agree to give an option to purchase my property situated atCo., Quebec, and bearing the Cadaster No..... Township..... in the County ofacre about..... for the amount of \$..... under the following conditions."

Q. What is the amount?—A. \$4,000.

Q. Even?—A. Yes.

By Mr. German:

Q. Let me see those options?—A. (Handing to Mr. German). These are the original options.

Q. On which you are getting \$12,000 as a commission?—A. No. These are prior to the first of August.

Q. Are these the only options you got?—A. I was going to read them out, they asked me to read them out.

The CHAIRMAN: The more methodical and proper way is for the witness to read them to the committee, and as he reads each one to hand it to Mr. German.

By Mr. German:

Q. Give the date of the option and the person to whom it was given?—A. Quebec, 14th January, 1913, to John D. Duchene, signed John McCaubray, \$3,400.

By Mr. Boys:

Q. How many acres?—A. This just gives the lot number, cadaster No. 91 and 92.

By Mr. Kyte:

Q. You have an option there from John D. Duchene. I am instructed that he is a veterinary surgeon in the employ of the Militia Department. Was he subpoenaed here?—A. I believe it is his son, who is at the front.

By the Chairman:

Q. Let us have the list. As you go, give the name, amount and date?—A. I would like to just state whether they are closed as I go on.

The CHAIRMAN: Let us have the list first, and then they can examine you on the list.

Mr. GERMAN: I am asking this witness a question, and I am going to ask it in my own way.

By Mr. German:

Q. I ask you to take the options which you have there, and give the date of the option, the price, the person giving it, and person to whom it is given?—A. And I am going to give it, and say whether it is closed or not. That is the only way I am going to give it. Don't get excited.

By Mr. Tobin:

Q. The Committee has something to say about that?—A. I am going to give the facts.

Mr. GERMAN: You are going to answer the questions.

The CHAIRMAN: Mr. German's question is quite proper and should be answered.

The WITNESS: I am not trying to dictate. I am trying to give the plain facts.

By Mr. German:

Q. You answer the questions I ask?—A. This option (picking up document) is dated Quebec, 14th January, 1913, to Dr. John D. Duchene, expiring 16th day of June, 1913, signed Moses McCaubray, \$2,000, 250 acres.

Quebec, 14th January, 1913, does not give the acreage, about 225, 2½ lots, \$2,750, to Dr. John Duchene, from Frank Thompson, expires the same time in June.

Quebec, 14th January, 1913, from John Adams, to Dr. John D. Duchene, \$5,000, 180 acres.

Colonel McBAIN.

APPENDIX No. 3

Q. What is it dated?—A. January 14th, I think they are all the same date. This next one is dated January 15th, 1913.

By Mr. McKenzie:

Q. Are they all the same kind of document?—A. This one is written out by hand.

Q. The body of the documents is the same?—A. The others are all typewritten.

Q. Read one of them.—A. (Reads):

Quebec, 14th January, 1913.

"I hereby agree to give an option to purchase my property situated at Valcartier Co., Quebec, and bearing the cadaster number 3, 4 and 94 Township in the county of Quebec, acre about 270, for the amount of \$5,000, under the following conditions.

To deliver to Dr. John D. Duchene, the farm and dependencies, Monday the 16th of June, 1913, at 12 o'clock, a.m. This option is in favour of Mr. John D. Duchene for a period of days, from the 15th of Jan., 1913. Said option will expire on the 16th day of June, 1913, at 12 o'clock a.m. I claim three months after sale for moving, also right to handle my crop, if placed in good season.

(Signed) ROBERT PENNEY."

Quebec, January 15th, 1913, to Mr. John D. Duchene, for a period of 169 days, from this date (15th January), said option will expire on the 16th of June, 1913, at 12 o'clock a.m.; about 100 arpents, for \$2,500, signed William Lyons.

This one is in French (hands to Chairman).

The CHAIRMAN: This gives an option on the property cadaster No. blank, for \$3,500, dated the 14th of January, about 180 arpents, expiring 16th June, 1913, to Dr. J. D. Duchene, signed Hopper Brown.

The WITNESS: January 14th, 1913, Valcartier, 135 acres, \$1,800, to Dr. John D. Duchene, 162 days, signed John Billings.

Quebec, 11th January, 1913, Valcartier, 210 acres, \$3,500, to Mr. John D. Duchene, signed William Crawford, jr.

21st January, Valcartier, 3 acres, \$1,000, to Mr. J. Duchene, signed Mary Ireland, expires June 16th, 1913.

January 14th, Valcartier, 180 acres, \$4,000 to Mr. John D. Duchene, 162 days, signed Walter Brown.

21st January, Lorette, \$2,000, about 220 acres, signed Joseph Savard, to Mr. J. D. Duchene.

January 14th, 1913, Valcartier, about 45 acres, \$400, to Dr. J. D. Duchene, expires the same date, June 16th, signed Oliver McKinley.

14th January, 1913, Valcartier, about 250 acres, \$4,000, Dr. John D. Duchene, expires 16th June, signed William J. Billing.

By Mr. German:

Q. Is that all?

By the Chairman:

Q. How many options?—A. Fourteen options. There were 24 taken altogether, some of these were returned to the men.

By Mr. McKenzie:

Q. There is some sort of a reservation in all of these?—A. Just the right to remain on three months after expiration.

By Mr. German:

Q. You have fifteen options there?—A. Original options, yes.

Colonel McBAIN.

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Q. You say there are more?—A. I think there were twenty-two or twenty-four.

Q. All to Duchene?—A. I think they were.

Q. All taken in January, 1913?—A. Around about January.

Q. Expiring in June of that year?—A. Of the same year.

Q. Who is John D. Duchene?—A. I think he is a Lieutenant-Colonel. I have met him a couple of times.

Q. He is in the Militia Department?—A. He has been connected with the Militia for a number of years. I think he is a veterinary, I could not say.

By Mr. Kyte:

Q. Was he Veterinary Inspector at Valcartier?—A. I never met him. I know his son better than he. I think he is in the city.

By Mr. German:

Q. Is he in the Department here?—A. He was subpoenaed to appear here.

Q. For whom was he taking these options?—A. Just what he told me, I am not sure.

Q. Did he give you a reason?—A. He tried to make me believe he was going to establish a sheep ranch out there.

Q. At any rate the options are all to John D. Duchene?—A. And his son.

Q. And they all expired in June of 1913?—A. Yes.

Q. And the Government plans showing the land to be expropriated were not filed until September?—A. You see quite a lot of these options expired in June, I bought quite a number of them. There is one, John Adams, Curtis Billing, Georges Thompson, Hopper Brown, the two Pennys, Frank Thompson and Mary Ireland. These I have already bought.

By Mr. Edwards:

Q. Can you give us the figures at which you bought them as compared with the options?

The CHAIRMAN: The witness says later on he purchased many of these properties at a much less figure than the options had been given, Mr. Edwards wants it on the record now.

By Mr. Boys:

Q. Take them up one at a time?—A. Well, J. Billings, \$4,000, not purchased yet. Oliver McKinley, \$400, we haven't purchased that, negotiating with him still.

Joseph Savard, \$2,000, not purchased.

Walter Brown—not closed.

Mary Ireland, option \$1,000, purchased at \$600.

William Crawford, option \$3,500, that is not closed apparently.

By Mr. McKenzie:

Q. Please tell the committee what you paid for damages on the Ireland property besides what you paid for the property?—A. \$100.

John Billings, option \$1,800, I closed at \$2,400.

By Mr. Boys:

Q. Does that include the crop damage?—A. Yes.

By Mr. German:

Q. The option was \$1,800, and you paid \$2,400.

Colonel McBAIN.

APPENDIX No. 3

By Mr. Boys:

Q. And the option had this agreement, "If my crops should be in you are responsible for damages?"—A. Yes.

Hopper Brown, option taken at \$3,500, closed at \$2,500.

John McCaubray, option taken at \$3,400, closed at \$2,400.

By the Chairman:

Q. You eliminate the crop damages?—A. The crop damages \$423.

By Mr. Boys:

Q. It is only fair to mention that the option of \$3,400 contained the condition that they they had to pay the crop damages besides, as extra; this condition was attached to the option. "I reserve the right to handle my crop if put in on time or in good season?"—A. William Lyon, option taken at \$2,500, I haven't closed on that.

Robert Penny, option taken at \$5,000, closed at \$3,525.

By Mr. German:

Q. What were the land damages?—A. \$570. The land damages in this case were practically nothing, because sufficient crops were taken off to balance the land damages.

By Mr. Boys:

Q. These options all have almost the same clause: "I claim three months to handle my crops." So that if you deprived the man of his crop you had to pay him.—A. Yes, that is the case.

John Adams, option taken at \$5,000, closed for \$3,500.

Frank Thopmson, option taken at \$2,750, and land damages at \$356, closed at \$3,000.

Moise McCombray, option taken at \$2,000, closed at \$2,700. Here is one I had not given, I am sorry I overlooked it, it is——

James Johnson, option at \$2,000 and I closed at \$2,500. There are several here that the options were returned.

By Mr. Kyte:

Q. How long have you known this John D. Duchene, who figures in these options?—A. I don't think I have met him more than three times in my life, not to my knowledge. It is possible that I met him when I lived there.

Q. You met him to-day, did you not?—A. I just spoke to him to-day when coming into the building.

Q. That is the man who got these options?—A. I am not certain whether it is he or his son.

Q. Did he ever speak to you about these options?—A. I think it is in the family.

Q. It is either he or his son?—A. Yes.

Q. You know he is a Lieut.-Col.?—A. Yes, and his son is an officer at the front.

Q. And you know that he is employed by the Government with respect to the horses at Valcartier?—A. I understand he is.

Q. He is an official of the Militia Department?—A. Yes.

Q. Is this the man whose options interfered with your getting this land?—A. Yes.

By Mr. Boys:

Q. The point is, was he getting the options for the Government?—A. He was not getting them for the Department of Militia.

Colonel McBAIN.

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By Mr. German:

Q. You have said that these options interfered with your purchase of the land for the Government. The Government had not decided to take over these lands until they filed their plans?—A. It all depends upon the way you are looking at it.

Q. You had instructions to look around for these properties?—A. Yes, until we found these were all under option.

Q. You found these options when you went there early in 1913?—A. In 1912.

Q. These options were not there in 1912?—A. These options were had in January, 1913. I was there in 1912.

Q. You were there in 1912, so do not try to mislead us?—A. That is not right, I am not trying to mislead you.

Q. Then the Government did not finally decide to take the Valcartier property until they filed their plans?—A. They had naturally taken the property when they filed their plans.

Q. And they knew that after the plans were filed no option, no matter by whom it was given or by whom taken, could affect the Government right to it?—A. No.

Hon. Mr. REID.—The option that was on it before was the price they would have to pay?

Mr. GERMAN.—Not a bit of it.

Debate followed.

By Mr. German:

Q. The options expired in June and the plan was not filed until September?—A. The difference between the option price and the price at which I bought is \$4,025, that is the saving.

By Mr. Kyte:

Q. Less your commission on the transaction?—A. Well, my commission would have to be added to that.

By Mr. German:

Q. Your commission is \$12,000 and some odd dollars upon \$259,270—that will be \$12,963?—A. Yes, about that.

By Mr. Kyte:

Q. You said there was a saving of \$1,025.

Mr. BOYS: Give us the total of those options.

The CHAIRMAN: The commission comes to \$3,450.

By Mr. German:

Q. You have said you spent a large amount of your time at Valcartier?—A. I spent a great deal of my time at Quebec and Valcartier.

Q. Without any recompense?—A. Since when?

Q. Since the war began?—A. Yes, I have.

Q. Without any recompense?—A. Yes.

Q. Since the camp was first established, without any recompense?—A. Yes.

Q. Did you have anything to do with the concessions for canteens?—A. Yes, I gave a grant of some of them.

Q. To whom?—A. To about 82, I forgot how many.

Q. Were there any payments made to you by any of these people for canteen rights?—A. Not one dollar to me.

Q. Or for targets?—A. I didn't know there was one down there.

Q. There was nothing paid to you?—A. Not one dollar.

Q. Was there anything paid to any person?—A. Not one dollar to my knowledge.

Colonel MCBAIN.

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By Mr. Boys:

Q. I understand that Mr. German, possibly, has got you to say that the Government had no intention of securing these lands until after the filing of the plans. Did you intend to say that?—A. I beg your pardon?

Q. Did you intend to leave the impression that the Government had no intention of securing these lands at Valcartier until the plans were filed?

Mr. MACKENZIE: Before he answers: He does not undertake to talk for the Government. We have a Minister here.

Hon. Mr. REID: The question was asked by Mr. German, and we want it cleared up.

The WITNESS: They certainly had. I had no idea of leaving that impression. They did intend to buy right from the beginning.

By Mr. Boys:

Q. If I understand your evidence this morning correctly, you, I thought, made it plain that you had been asked to secure options on this property?—A. I had.

Q. That you proceeded to do so, and then learned that through a leak this man or somebody else had been securing options?—A. Had been negotiating.

Q. For which reason, after consultation with the Minister, for the time being and until the expiration of the options, you decided to abandon the proposition?—A. He gave me those instructions to abandon them.

Q. And then looked at—A. I visited two other places.

Q. In the meantime the options were running on, and when they expired, you resumed your work on the properties?—A. I did.

By Mr. Kyte:

Q. You had no competitor at all when you started to take your options?—A. I had to do it in a great hurry. As soon as the people found out I was taking options again, naturally they were getting busy in Quebec.

By Mr. German:

Q. You appear to have some sort of a grudge against the people in Quebec?—A. I have not.

Q. Who are the people in Quebec that you are driving at so hard?—A. I am not driving at any one in particular. I am expressing what I know are facts.

Q. Tell us the facts?—A. I told you. They have written about it, I cannot just recall the names.

Q. Who?—A. Certain people in Quebec.

Q. Who?—A. There is one I just cannot recall. I will get the names.

Q. You mean Mr. Robertson?—A. I only knew him as acting for the others.

Q. You mean who has interfered?—A. Giving advice to hold out for higher figures.

Q. We will have him?—A. He is right here.

Q. He was acting for clients?—A. I presume he was.

Q. Was it not his right and duty to suggest to them that they should insist on getting what they wanted?—A. Certainly if he had sufficient influence at Ottawa to give them \$50 an acre.

Q. There was no influence used?—A. There was no influence used.

Q. You were employed by the Canadian Northern?—A. No.

Q. Were you dismissed by them?—A. I have not been dismissed. I have been working as an agent for them, as I have been working for the Dominion Government.

Q. I understand you have been dismissed?—A. You understand wrong, because I was never in a position to be dismissed.

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The CHAIRMAN: This is getting to be a personal matter. Let us get down to business.

The WITNESS: He made the insinuation that I was dismissed. I say that I was never in a position to be dismissed.

By Mr Kyte:

Q. Just discontinued your services?—A. There was no discontinuing, because they only engaged me at times when they needed me, the same as the Dominion Government.

By Mr. German:

Q. Tell us the people in the city of Quebec who interfered with you?—A. I will give you the names as soon as I get them.

By the Chairman:

Q. Are they all in Quebec?—A. And Lorette.

By Mr Kyte:

Q. You stated this morning that the Government placed a sum to your credit for the purpose of being paid out in connection with this matter, \$13,000?—A. Not in connection with this matter.

Q. In connection with expenditure at Valcartier?—A. At Valcartier, and the payment of the men.

Q. How much was it, \$13,000?—A. Yes.

Q. Where was this money deposited?—A. It was deposited in the Union bank.

Q. In the city of Quebec?—A. Yes.

Q. Is that the bank in which you had your private account?—A. I do most of my business with the Bank of Nova Scotia.

Q. Have you a personal account in the Union Bank?—A. It is the only personal account I have.

Q. Had you any money at the time?—A. Yes, I had some money there.

Q. And this \$13,000 went to swell that account to that extent?—A. It was only used when I needed it.

Q. It was mixed in your personal funds?—A. Yes.

Q. And when you drew cheques against it the cheques were all charged up against this particular account?—A. Yes.

Q. When you drew cheques, your personal cheques, they were charged to this account, and when you drew cheques for the Government they were to be charged against the same account?—A. Yes, and I have the cheques, I have my bank book, and my receipts, and you are open to go into them at any time.

Q. Don't go back—A. Because they are open.

Q. It is possible to say too much?—A. I will give you my bank book, my cheques and the receipts, and place the correspondence at your disposal.

Mr. EDWARDS: This witness has some rights.

The WITNESS: I am not going to have it put down that I am trying to do the Government.

Mr. EDWARDS: Several times Mr. German and Mr. Kyte have tried to bulldoze the witness.

Mr. KYTE: You had better take that back.

Mr. EDWARDS: A witness has a right to protect himself against an unjust insinuation, and these gentlemen failing to get the kind of evidence they want, are mad, and they have shown it right through.

Witness retired.

Committee adjourned.

Colonel McBAIN.

APPENDIX No. 3

EVENING SITTING.

HOUSE OF COMMONS,

ROOM No. 211,

WEDNESDAY, April 7, 1915.

The Committee met at 8 o'clock p.m., Mr. Morphy presiding.

The examination of Colonel McBAIN continued.

By Mr. Kyte:

Q. I understood you to say the first time you gave your evidence here, that on the money you paid out of your own private funds for the department at Valcartier you did not receive any interest?—A. No, I did not say that. I cannot just say whether I received interest or not. I know I put in a claim for interest from the time the money was received, but I have not settled up my accounts with the department since the war broke out. I know I received back the advances that I made; some \$20,000, round about September 8. I just wanted to correct the impression—

Q. You have a claim for interest besides?—A. I don't know whether it was settled or not. I put in a claim for interest, because I had use for the money, away back in January, and naturally money is worth money. I had use for it from January right up to September 8.

Q. You could not say what your claim for interest is?—A. I could not, but I will let you know if you like.

Q. Or what the percentage of interest is?—A. I do not know. I pay six myself, that is what I pay in getting it.

Q. What claim did you make upon the Government?—A. I will get the correspondence and let you know. I just forget what it is.

Q. Have you the correspondence here?—A. Unfortunately I left it at the hotel, but I am willing to place it in your hands in the morning or at any time. I just wanted to correct the impression I think you left in regard to the fact that the money I received from the Department while I was at Valcartier was deposited in an open account that I had there. But I had a heavy deposit myself. The money was used and not for my own personal use at all—although I remember you left that impression—but for the construction and maintenance of Valcartier camp.

Q. Did the money go into the same account?—A. The same account, but remember I always had heavy deposits of my own.

Q. You had an account with your own money?—A. Yes.

Q. And the advances you got from the Government went to the same account?—A. It was all in connection with Valcartier camp.

Q. So you had your own private funds also?—A. This is where the \$18,000 came from in the first place, deposits I made myself.

Q. Your own private funds and the Government funds were all placed to your credit in the same account?—A. Yes, and I have the official receipts.

Q. And you drew against that for your own private use?—A. Oh, no. That is just the impression I thought you had. I did not use the money for any of my own private means because I had my own account at Toronto. When I wanted any heavy transfer, I would transfer money there. After the \$18,000 was deposited I transferred it to Toronto. I used my Toronto account for my own personal use.

By Mr. German:

Q. Did you not draw against that account to pay these cheques for crop damages?—A. Some of them, yes.

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Q. You draw against that account to pay all the crop damages?—A. Not all of them, because there were certain cheques made direct from the Department. All my own personal money, yes.

Q. You drew against that account that was in the Union Bank to your credit in Quebec?—A. Quite right.

Q. And a large part of it was money supplied by the Government?—A. A part of it was supplied by the Government.

Q. \$18,000?—A. That was my own money. That was not the Department's money, it was my own advance, which was paid back to my account.

By Mr. Kyte:

Q. How much was supplied by the Government?—A. \$13,000 from time to time.

By the Chairman:

Q. It was all in the bank to your credit, against your own private account?—A. No. This was intended specially for Valcartier.

By Hon. Mr. Reid:

Q. In other words, a trust account?—A. A trust account, practically.

Q. You kept it separately from your own account?—A. Absolutely. I have got my cheques and everything.

Q. You never chequed your private accounts against Government money?—A. I deposited the Government money in the account that was there for that purpose. I opened an account in September.

By the Chairman:

Q. The Government had advanced you certain moneys which went into that account. Would that pay up for those advances you had made on the Government's account?—A. Not by one-half.

Q. What you say is it was merely the return to you of money you had primarily advanced?—A. And they still owe me considerable money, more than they advanced.

By Mr. Boys:

Q. As I understand it, you had some of your own money and some of the Government's money in the account?—A. Yes, I had to do it.

Q. But your cheques were all in connection with the land transactions?—A. Land transactions and maintenance and construction at Valcartier. There is another question. Mr. German asked me with regard to certain people in Quebec and Lorette who had written me regarding interest in the land. I could not give the names at the time. One man's name was A. Richette, another L. Lamontagne, and another one named Savard. These are the only names I have. If there are any others I will be pleased to give them to you.

By Mr. German:

Q. What did they write you about?—A. Claiming they held options on the land.

Q. That they held options on the land?—A. Yes. Two men came to see me about it and told me personally I could not deal with anybody else but Mr. Ritchie and Mr. Savard. "Why?" "Because we have bought this land." "When did you buy it?" "Away back in last September before the transfers were filed." That is what I have to contend against all the time.

By Mr. Sinclair:

Q. There were only three that had bonded land?—A. There are four or five altogether.

Colonel McBAIN.

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Q. In how many cases have you resorted to legal proceedings to get the title?—A. I am just resorting to them now. At least, I have recommended it. I have nothing to do with that, it rests with the Department of Justice.

Q. Is there a large number unsettled?—A. Quite a number, yes.

By Hon. Mr. Reid:

Q. They will go to the Exchequer Court?—A. Go to the Exchequer Court.

By Mr. Kyte:

Q. You have nothing to do with that at all?—A. That is for the Department of Justice to deal with.

By Mr. German:

Q. Now, about the canteens, do you know a company called the Bolduc Company Limited, who had a canteen?—A. Bolduc? I don't know the name. Is that a limited company? I am most unfortunate, I left the names there in Quebec, I think.

Q. The Bolduc Company, Limited?—A. I don't know, I cannot just recall Bolduc. What line were they in? Just a general canteen?

Q. Yes?—A. There are a great many, you know. There are a hundred and something.

Q. Do you remember a man named Fraser?—A. Fraser? I think he was an easterner.

Q. Never mind whether he was an easterner or a westerner. Was he there?—A. Yes.

Q. He had a canteen?—A. Yes.

Q. Did he pay anybody for the privilege?—A. As far as I know, not one cent.

Q. Nor Bolduc either?—A. Not one cent. If they paid it they paid it to some unreliable party who had no right, and if I can get the name I will take action. No man connected with that office had any right to take one cent for a canteen, that was made plain right from the beginning, or for any privileges on the ground.

By Mr. Kyte:

Q. I want to ask you about the targets at Valcartier?—A. Yes.

Q. Did you have anything to do with setting those up?—A. Never.

Q. No contract for them?—A. No, I had nothing to do with them. The contract was let to somebody by Lt.-Colonel Lowe.

Q. He had the letting of the contract for setting up the targets?—A. Yes, he had absolute control of that.

Q. Who did he make the contract with?—A. I could not tell you.

Q. You had no interest in it?—A. No.

Witness retired.

Mr. GERMAN: I would now like to take up the "Housewives' case. The reference is to be found on page 1722 of Hansard. (Reads):

Mr. Proulx:

(1) Did the Department of Militia purchase any soldiers' housewives from Mr. Stewart McClenaghan, or the Two Macs' Compnay of Ottawa? If so, what quantity, and what price?

(2) Did the Department purchase any soldiers' housewives from any other party in the city of Ottawa? If so, from whom? What was the price paid, and what was the quantity purchased?

Mr. Hazen:

(1) Two Macs (or Stewart McClenaghan), 100,000 at 53½ cents each, complete.

(2) Maycourt Club, 1,000 at 53½ cents each complete; United Relief Committee, 2,000 at 53 cents complete.

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That is the return in answer to the question. It was in regard to that, that I wished to ask Mr. Brown some questions.

The CHAIRMAN: What is before this Committee is laid down in Sessional Paper 122, plus the correspondence; not returns to the House, but the correspondence subsequent to that paper. If the Minister is satisfied, I am.

Hon. Mr. REID: Let us take it for granted that this is in that Sessional Paper. If we want to go into anything further, we need not take this as a precedent.

Mr. STEWART McCLENAGHAN called, sworn and examined.

WITNESS: Before I start, I would like to say there seems to be a great doubt as to what a housewife is. I happen to have with me a definition written by a soldier, a Tommy Atkins; it is only a few verses, and I would like to read them.

Mr. GERMAN: We do not want any verses.

Mr. CARVELL: We want to know about the article, the cost and the prices charged.

WITNESS: The soldier thought it was a girl he was getting.

Mr. CARVELL: We know better than that.

WITNESS: I thought some of the committee thought that was what it was.

Mr. GERMAN: I do not think they did and I do not think you did either.

By Mr. German:

Q. You are manager or president of the Two Macs' Co?—A. Yes.

Q. It is incorporated?—A. A joint stock company.

Q. Are you the manager of the company?—A. I am manager.

Q. You got a contract from the Militia Department for supplying what are called "housewives" to the Militia Department?—A. Yes.

Q. For how many?—A. The first contract was for 30,000, and there were subsequent contracts.

Q. Totalling how many?—A. 100,000.

Q. Is that all you have supplied?—A. That is all we have supplied.

Q. So far?—A. So far.

Q. Have you a contract for any larger quantity?—A. No.

Q. That is your total?—A. It is completed.

Q. And you have supplied 100,000?—A. 100,000, yes.

Q. At 53½ cents, according to the Government return?—A. 53½ cents.

Q. We have here before us a sample of what a housewife is?—A. Yes.

Q. It consists of about a quarter of a yard of cloth?—A. Frieze.

Q. About a quarter of a yard?—A. Oh no, there is not a quarter of a yard. There are six out of a yard; you get six out of a yard.

Q. Then that is about one-sixth of a yard?—A. Yes.

Q. That is worth how much a yard?—A. It ran from 90 cents to \$1.50; that is, when we were buying it in the market. 90 cents was the lowest, and \$1.50 was the highest.

Q. Who made up these things for you?—A. We made them up ourselves.

By the Chairman:

Q. The Two Macs?—A. Yes.

By Mr. German:

Q. What part of it did you make?—A. We made the whole housewife; that is, the part you have in your hand. We did not make them all; we made I suppose about one-half of them in our own workshop.

Q. You supplied the cloth?—A. We supplied the cloth.

Q. Had you ever made this before?—A. No, never.

Mr. McCLENAGHAN.

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Q. Do you know if they have ever been made by any concern in Ottawa or in any other place?—A. I never heard of them until I was asked to tender on them by the Militia Department; I did not know there was a housewife. When they asked me to tender, I had to send my manager to see what it was like. We made a sample to try it out.

Q. Who asked you to tender?—A. I guess it was Mr. McCann; it is his department.

Q. Who is he?—A. Assistant to Brown I think.

Q. You were asked to tender?—A. Yes.

Q. And you put in a tender?—A. We put in a tender.

Q. At what price?—A. 53½ cents.

Q. Now, as you say it consists of this piece of cloth, one-sixth of a yard?—A. Excuse me, when you say 53½ cents that means the complete filling and everything.

Q. I understand. Then there are two skeins of linen thread?—A. Three skeins of linen thread, two coloured and one black.

Q. What are the three skeins worth?—A. The three skeins of linen thread are 6½ cents.

Q. For the three skeins?—A. Yes.

By Mr. Boys:

Q. That is the cost?—A. Yes, that is the wholesale price.

By Mr. German:

Q. And the three darning needles?—A. Darning needles, 1 cent.

By the Chairman:

Q. Each?—A. No, 1 cent for the three.

By Mr. German:

Q. Two spools of wool yarn?—A. Darning wool, 4 cents. Then there are 24 safety pins.

By Mr. Carvell:

Q. Can you tell us how many yards of yarn were in that?—A. I do not know; enough to darn a few pairs of socks, I suppose.

By Mr. German:

Q. Look at that list (handing witness list) and see if these are the contents.—A. Yes, I think that is all.

By the Chairman:

Q. The list produced shows the contents.—A. Thimble, beeswax, and sewing needles.

By Mr. German:

Q. The list of contents is put in, marked Exhibit 1 in these proceedings. The paper of needles, how much?—A. Sewing needles, 2½ cents.

By Mr. Boys:

Q. We did not get the 24 safety pins?—A. Safety pins, 7 cents.

By Mr. German:

Q. One thimble?—A. 1½ cents.

Q. 3½ dozen pant buttons?—A. There are three dozen brace buttons, 3 cents; and six fly buttons, ½ cent.

Mr. McCLENAGHAN.

By Mr. Carvell:

Q That would be $3\frac{1}{2}$ cents?—A. $3\frac{1}{2}$ cents for buttons.

By the Chairman:

Q. Altogether?—A. Yes.

By Mr. German:

Q. Three darners?—A. 1 cent.

Q. Two cards of yarn; we have got that. How much did you say that was?—A. 4 cents.

Q. Five batchelors' buttons?—A. 4 cents; that includes the envelope they were in.

Q. One piece of beeswax?—A. $\frac{1}{2}$ cent.

Q. You gave us the three skeins of thread, I think?—A. Yes.

By the Chairman:

Q. The sewing needles are what?—A. There is the cloth and the linen and the tape; you may as well get it all. I have not added it up.

By Mr. German:

Q. How much do you say was the cloth?—A. The cloth is 5 cents, the linen is 1 cent, and the tape is 1 cent.

Q. Totalling?—A. 37 cents.

Q. According to your price?—A. Yes.

Q. Did you ask any concern in Ottawa to make those for you?—A. We had a firm that I happened to be a shareholder in making part of them; it was a question of getting them out on time.

Q. Never mind the question of time for a moment.—A. The first 30,000 had to be finished in two weeks; that is the time we got the outside firm to help us.

Q. When was the order given?—A. About the middle of August.

Q. To be delivered when?—A. To be delivered in two weeks.

Q. Did you ask any firm in Ottawa to make these things for you?—A. Well, there was some of them made, because we could not get them all out in our own workshop; we had them made next door in a firm I am a shareholder in.

Q. What firm is that?—A. Sparks Bros. They were next door, and I had to get them out in two weeks. The last we made entirely in our own workshop, but the first, to gather that stuff all over Canada, it was some job to get it finished in two weeks.

Q. What stuff?—A. Take the darning yarn; it had to be bought by the skein. We could not buy a card of darning wool in Canada; there was not any. We had to buy it in the skeins. The same with the linen thread; we had to unwind spools and make it into skeins. There was not a skein in Canada. We went as far west as Winnipeg and as far east as Halifax to purchase skeins of thread.

Q. Do you know any concern controlled by J. B. Pageau?—A. Yes.

Q. He makes these things, does he?—A. He never made them until he made them for me in the first rush.

Q. What did he charge for them?—A. He charged 5 cents for making them.

By Hon. Mr. Reid:

Q. For making them? You supplied everything?—A. I supplied everything. They were cut and ready to work at, and 5 cents was what he got for making them. I can tell you exactly, out of \$53,000, there was \$2,112 out of the \$53,000 made outside.

Q. How many?—A. \$2,112. There were two thousand dollars out of \$53,000 made outside.

Mr. McCLENAGHAN.

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Q. Just for the workmanship?—A. Just for the workmanship, decidedly. We gave it to them cut, ready for making, because when you get an order like that shoved on you, you have some idea how much we had to handle. It took 5,400 yards of cloth, it took 4,500 yards of linen; it took 63,500 yards of braid; it took 100,000 thimbles; 100,000 pieces of beeswax; 4,700,000 buttons; 2,400,000 safety pins; 300,000 darning needles, 2,500,000 sewing needles; and 7,000 pounds of linen thread, that had to be gathered in our workshop and distributed.

By Mr. German:

Q. You have given me as a total cost—A. 37 cents, that is for the making, the cutting and the filling. That brings it up to 44 cents, as the price we figure that it cost.

By Hon. Mr. Reid:

Q. In other words, the 100,000 housewives cost you \$44,000, and you got \$53,000 for them?—A. And some odd dollars.

Q. Therefore your profits were the difference between \$44,000 and \$53,000?—A. About 23 per cent.

Q. They were 53½ cents each?—A. Yes.

Q. That is, you got \$53,250?—A. And it cost us \$44,000.

Q. Therefore, your profits were the difference between \$44,000 and \$53,000, or \$9,250 you made on the 100,000?—A. That is without charging any overhead expenses.

By Mr. German:

Q. That is your explanation of the situation?—A. Yes.

Q. Are you aware that these things were offered to the Government at 26½ cents?—A. Well, I am certainly not aware of it, and I am pretty sure it could not be either.

Q. We have your statement and that is all there is to it.

By Hon. Mr. Reid:

Q. What is your overhead?—A. It ran about 16 per cent on the general business.

Q. How much percentage of profit would that amount to?—A. Taking it at 16 per cent, it would leave about 8 per cent net profit.

By Mr. Kyte:

Q. Those that you manufactured in your own establishment, you paid the girls by the piece?—A. They ran either 4 or 5 cents. Those we got made outside we paid Pageau 5 cents, and Sparks 3 cents.

Q. Did you not get some made as low as 2 cents?—A. No, never.

Q. Did you have them employ girls to do this work?—A. It was in my own workshop, it was men and girls working overtime.

Q. Working by the piece?—A. Some of them worked by the week, whichever way it worked most advantageously.

Q. Those you had made by the piece cost you 5 cents?—A. Either 4 or 5 cents

Q. And 3 cents?—A. 3 cents, what we had from Sparks.

Q. And you did not get any made for 2 cents?—A. None for 2 cents.

By Hon. Mr. Reid:

Q. Do you swear that out of \$53,250 you paid out \$44,000 for material and workmanship?—A. This statement, handed me by the head of the department, shows this is about the cost, as far as we can figure it, as 44 cents.

By Mr. Kyte:

Q. How many did you make out of a yard of cloth?—A. We figure about 6.

By Mr. Sinclair:

Q. What is the average price for making one?—A. About 4 cents, the workmanship on it.

Q. Some were 5 and some 3?—A. Some 4 cents.

By Hon. Mr. Reid:

Q. You stated that 8 per cent is the amount that you had for overhead charges and profit?

Mr. CARVELL: No. After he takes out 16 per cent for overhead.

Hon. Mr. REID: He made 8 per cent profit.

Mr. CARVELL: After allowing 16 per cent for overhead charges, he got 8 per cent.

The WITNESS: That is the position; when we tendered for that we tendered on a 25 per cent basis. You cannot run a business on less, roughly speaking we always figure about 20 per cent in for overhead charges. You cannot run a business in a town of this size, and pay out a cheque for rent for the month of February for \$385 (exhibiting cheque). There is a cheque (exhibiting) for the taxes paid to William Robertson for six months for \$3,373.43.

By Mr. Kyte:

Q. What were the overhead charges of that branch of your department that made these housewives?—A. Once they get onto the ground floor of the manufacturing business they have to come in under the general charges.

Q. If you were asked to manufacture a certain number of suits of clothes, what then?—A. They would just balance about the same.

Q. You would charge 16 per cent?

By Hon. Mr. Reid:

Q. For overhead charges?—A. Yes.

Q. Then you add your profit afterwards?—A. The general dry goods stores in the old days, we always added 33½ per cent, and now that the expenses are much higher we have to add more than that. When I tendered, I tendered on a straight business proposition, and I put in my price and it was accepted, and I consider I gave good value for what I got. I consider the Militia Department was well served because I had everything delivered on time, they did not have to wait on me.

By Mr. Kyte:

Q. You have a clothing business?—A. Ready-made clothes.

Q. And gents' furnishings?—A. Yes. I am a head to foot outfitter for men and boys.

By Hon. Mr. Reid:

Q. You have a departmental store?—A. A men's departmental store. I paid out in wages last year, 1914, \$47,849.42.

By Mr. Kyte:

Q. The more work you have the smaller the proportion of overhead?—A. In 1914 wages were less, we dropped some on account of the general depression, and our wages in 1913 amounted to \$52,000, being a difference of about \$4,000. We tried to keep on all our hands that we could.

Q. You kept the people for other business?—A. Yes.

Q. You were under no special expense on account of this order, except the actual labour?—A. We put on 55 extra girls on the Queen street end to do that filling. One of the biggest parts was to assemble that amount of stuff.

Mr. McCLENAGHAN.

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By Mr. Sinclair:

Q. What is the price of the cloth you put in these articles?—A. 90 cents was the lowest, most of it cost about a dollar a yard, from 90 cents to \$1.10. It depended when the order came.

By Mr. Carvell:

Q. What would be the width of this cloth?—A. 54 inches wide.

Q. Let us get a little more actual description of the cloth. On the sample I have here, it is partly doubled on one side. What is the width of it first?—A. I can give you exactly. (Consults employee.)

Q. I want to get the dimensions. (Measures with tape). Will you take 17 inches as the length?—A. About that.

Q. Including that double part. What is the width (Measures)? 4 inches by 17 inches. There is one end doubled over.

Q. Did you figure on the two-inch flap? Taking outside to outside, you have 20 inches by 4 inches, 20 inches outside to outside. Is that right?—A. I guess you have put the tape on it, I guess it is. My manager says he thinks it is about 6 we got to the yard.

Q. We can figure up the number that you can get out of a yard. We are not dry goods merchants, and therefore we have to ask what may seem elementary questions. But I have here some safety pins. I find that you have 2 dozen safety pins, I would say they are about $1\frac{3}{4}$ inches long. You agree with that? You buy these wholesale?—A. Yes.

Q. What do you pay for them wholesale?—A. They cost, according to this statement here, 7 cents.

Q. You are telling me what you paid for safety pins wholesale, $1\frac{3}{4}$ inches long?—A. That is what I paid, 7 cents for 2 dozen.

Q. $3\frac{1}{2}$ cents a dozen?—A. The figures I am giving you are exactly what we figured they cost us wholesale.

Q. You say that these cost you $3\frac{1}{2}$ cents a dozen wholesale?—A. Yes.

Q. That disposes of the safety pins.

Hon. Mr. REID: Did the dozen go in?

Mr. CARVELL: Two dozen.

Hon. Mr. REID: That is 7 cents.

By Mr. Carvell:

Q. Then there is a paper of needles marked Kirby, Beard & Co., it looks to me like egg-eyed, Betweenens No. 1. What did you pay wholesale for these?—A. $2\frac{1}{2}$ cents.

Q. I have here an iron thimble. What did you pay for these wholesale?—A. $1\frac{1}{2}$ cents, a tailor's thimble.

Q. Now we have, I think it is, 3 dozen metal buttons, and they seem to be of two sizes?—A. $3\frac{1}{2}$ dozen, six small ones, $3\frac{1}{2}$ cents for the $3\frac{1}{2}$ dozen.

Q. That would be one cent a dozen?—A. Yes.

Q. That is the wholesale cost?—A. Yes.

Q. You have already explained about the wax?—A. Yes. The wax is a half a cent. We had to buy that in the rough, and send it down to the factory.

By Mr. Carvell:

Q. What did you pay for the wax per pound?—A. $37\frac{1}{2}$ to 40 cents per pound.

Q. Would you now give us how many of these pieces you got out of a pound?—A. About 150 pounds to the 20,000.

Q. A hundred and fifty pounds of wax at how much?—A. It cost us about forty cents a pound.

Q. And a hundred and fifty pounds, that is \$60 for how many?—A. 20,000.

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Q. Then you had to send it to the confectioners to get it moulded into the size, what did that cost?—A. I cannot give you that offhand, it figured out a little over half a cent.

Q. That exhausted it pretty well, except this darning yarn. How much did you pay for that yarn a pound?

By Hon. Mr. Reid:

Q. How much do you figure the yarn cost?—A. About four cents.

By Mr. German:

Q. What was the cost per pound?—A. I do not know, I haven't it here.

Q. You are in the business, you surely must know what it costs per pound?—A. We don't handle yarn.

Q. And how many of these cards do you think you got out of a pound of yarn?—A. I couldn't tell you offhand, I have the whole data.

Mr. GERMAN: My instructions were that the Department was offered—I am not complaining about Mr. McClenaghan at all, but I am instructed that the Government was offered these things at 26½ cents each.

The CHAIRMAN: Can you get evidence of that?

Mr. GERMAN: I would rather have Mr. Brown here first. As far as I know I do not want to ask Mr. McClenaghan any more questions until I hear what Mr. Brown has to say.

By Mr. Sinclair:

Q. Did you put in a tender in response to the request of the Department?—No. It was in response to a phone from the Department at the time of the rush. I could not attend to this myself and I sent a man down to see about it. I never spoke to Mr. McCann at all, I never had a word with him.

Q. Who did you address your tender to?—A. It was addressed to Mr. Brown, I suppose.

By Mr. Boys:

Q. Did you get the contract from the telephone conversation?—A. No, the tender was accepted in written form and it was three or four days later.

By Mr. Carvell:

Q. Did your company also furnish uniforms?—A. No, we were never asked to tender on that.

Q. Did Sparks Bros. furnish any uniforms?—A. Not that I know of, they are making 10,000 pairs of pants for the British Government.

Q. Did they furnish uniforms for the Militia Department?—A. Not that I know of.

By Mr. German:

Q. You furnished shirts, did you not?—A. Yes, sir, I furnished some.

Q. How many?—A. I think there were under 5,000 altogether.

By Mr. Carvell:

Q. Have you any new orders from the Militia Department in excess of 100,000?—A. Absolutely none. That was finished in January, I think, or February.

By Mr. Boys:

Q. I have been summarizing the dollars and cents and apparently your profit was \$2,240, is that what you put it at?—A. Yes.

Mr. MCCLENAGHAN.

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By Mr. Carvell:

Q. In addition to that you have \$5,000 or \$6,000 for overhead expenses?—A. Yes, we do not tender on anything less than 25 per cent, it won't pay us, we cannot possibly tackle anything that we have to put on the floor of our place and run it at less than that. We want to make a good showing at the end of the year.

By Hon. Mr. Reid:

Q. What you mean by overhead charges is without any profit whatever in your business?—A. Everything, you take for instance, insurance, \$2,683, lighting \$1,059.

Q. When you say, "overhead charges" that means the total cost without any profit whatever?—A. Yes, that is the cost to produce the article,—for instance if a man comes in and buys a pair of trousers, I have to add on 16 per cent on whatever they come to before we get any profit. That includes the salary of the manager.

Q. And the wages of the employees?—A. That works in. My salary is charged up to all departments generally, but the salaries of the others are charged to their own departments, every department is run separately.

By Mr. Edwards:

Q. There is no profit at all until your overhead charges are paid?—No, there cannot be. That is where so many firms make a mistake, no matter whether you are doing business or not your expenses are running on all the time.

Q. To make it short your profits appear to be 8 per cent. net?—A. That is about it.

Witness discharged.

Hon. Mr. REID: I may say I have asked Mr. Brown to be here, I do not know whether he is here or not, but he said, Mr. McCann was the man from whom he could get the information.

Mr. GERMAN: Mr. McCann made the arrangement, as far as my information goes, but the order was given by Mr. Brown, however, that may be true or untrue.

Mr. J. A. McCANN, called, sworn and examined.

By the Chairman:

Q. What is your position?—A. I am in the Director of Contract Branch.

Q. In the Militia Department?—A. Yes, Assistant to the Director of Contracts, Mr. Brown.

By Hon. Mr. Reid:

Q. What do you know about this?—A. Tell the whole story and start with the beginning of this contract to Mr. McClenaghan.—A.. I will tell you as far as I can remember. Some time early in August we received a requisition from the Quarter-master-General.

Q. From General Macdonald?—A. General Macdonald's Branch, for a lot of housewives.

Q. About how many?—A. I think it was 20,000, I am not sure. The papers are here, I think Mr. Brown brought them up to-day, but we will say 20,000.

Q. What did you do then?—A. The first thing we did was to find out about the pattern. We had never bought any for the Permanent Force, they are not provided for the Permanent Force, and we had to get a pattern. I went downstairs to the Director of Clothing and Equipment and asked him to tell us what was to be provided, and after two or three days we got the War Office pattern.

Q. That is the English War Office pattern?—A. Yes, and that was taken down to the Director of Clothing and Equipment.

Q. That was to Colonel Macdonald?—A. Either Colonel Macdonald or his assistant, Colonel Hallick.

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Q. And you went to Colonel Macdonald?—A. It was to one of those officers I have mentioned. It was taken down and they decided to have one like the War Office pattern, just made out of tweed.

Q. Was it one similar to that here?—A. It is practically similar, much the same as that, there was a difference in that the contents were not the same as the War Office pattern, in which there were no safety pins.

Q. You added that to it?—A. Those were added to it and bachelor buttons were added to it, there were none of those things, well none of the buttons at all in the War Office pattern.

Q. Or in other words you took the War Office pattern and added other articles to it?—A. We did not in our branch, it was done by the Director of Clothing and Equipment.

Q. What was done by you regarding the getting of tenders for it?—A. If I remember aright I went and called on Mr. McClenaghan, I do not know who else, to see what they could do it for. I took a sample down for them to see.

Q. Did you call on others besides Mr. McClenaghan?—A. I could not say, I know we got prices, when Mr. McClenaghan sent in his invoices for the contents, I called up Garlands by the telephone and I found out their prices for the buttons, the safety pins and other contents.

Q. That was for the contents outside the housewife itself.—A. Outside the housewife itself, and I found out what the prices were for the regular trade articles.

Q. What would that amount to?—A. I think their prices would amount to probably 27 or 28 cents, I could not tell you exactly.

Q. That was outside the housewife itself?—A. Yes. Then after that was found out we went back to the Director of Clothing and Equipment to see that the articles were really good ones, and of the proper kind and if they were all right and all that and then when that was done we found that the prices were considered fair and reasonable.

Q. That is 27 cents for the outside housewife?—A. The outside, yes, sir.

Q. Did you take into consideration what the cost of the housewife would be?—A. We figured out what the cloth would cost.

Q. And the lining?—A. And the lining and the sewing. All that sort of thing.

Q. What did you figure that would cost?—A. We figured 20 cents would be a fair price.

Q. That is, 47 cents would be a fair price for the whole thing?—A. 47 cents.

Q. That would be a fair price?—A. I do not say that. That is what they were putting on their regular trade articles; but we wanted to have the Director of Clothing and Equipment say what kind of safety pins there should be. There are safety pins of different sizes and qualities, buttons and wool and thread and all these articles.

Q. Then 47 cents would be the cost price of the whole lot?—A. The cost price of the whole lot, that is on the regular trade articles. Then we were going to get some kind of safety pins of the same sizes and the same quality.

Q. Then you asked for tenders?—A. We asked for that offer. You will see it in the file.

Q. And 53½ was the 2 Macs price?—A. For the housewife of this material and this quality.

Q. Was that as low a price as you could have got from anybody else?—A. I don't know if we asked anybody else.

By the Chairman:

Q. How did you arrive at that estimate with the firm you spoke of?—A. Their estimate was not for anything at all like this (indicating housewife).

Mr. GERMAN: The witness says his estimate was 47 cents.

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The WITNESS: I did not quite mean that. We figured out what we wanted for housewives with the Garlands for the ordinary trade article. I tried to explain that we did not know exactly what kind of safety pins, or their quality, or what kind of thread would be used.

By Mr. Carvell:

Q. Who are the Garlands?—A. J. M. Garland, Son & Company, wholesale dry-goods.

By Hon. Mr. Reid:

Q. Then you got wholesale prices?—A. Wholesale prices.

By Mr. Carvell:

Q. Did you give the Garlands a list of what you wanted?—A. I asked for the prices of what we wanted as far as was on the list.

Q. Have you got the prices they gave you for safety pins?—A. I could not tell you without looking at the file.

Q. Where is the file?—A. I don't know.

The CHAIRMAN: Mr. Brown got the file and left it here.

By the Chairman:

Q. Is Mr. Brown here?—A. Mr. Brown went home at quarter past eight.

Hon. Mr. REID: Mr. Brown will tell you the facts. He knows the whole of the circumstances in connection with the matter.

The WITNESS: I think I know the whole matter.

The CHAIRMAN: The file is here. If you will take the responsibility of selecting the letters from it, all right.

By Mr. German:

Q. Before you go into that. Did it come to your notice at all that Mr. J. B. E. Pageau of 123 Murray street, this city, offered to supply the same articles to the Department for 26½ cents?—A. Not to my knowledge.

Q. It did not come to your knowledge?—A. No.

By Hon. Mr. Reid:

Q. Would it come to your knowledge if he did?—A. It might, sir.

Q. If there was such an offer it would come either to you or Mr. Brown?—A. It would not come to me, it would go to Mr. Brown.

The CHAIRMAN: Is Mr. Pageau here? We should have the man himself as witness in a case like that.

Mr. GERMAN: Mr. Brown will be here before very long, and we will take his word for it.

By the Chairman:

Q. Where does Mr. Brown live?—A. In New Edinburgh. I am quite sure he will be here probably very soon. It takes about half an hour to get here from New Edinburgh.

By Hon. Mr. Reid:

Q. Is there any further information you can give us in connection with this?—A. Well, really I do not think so.

By the Chairman:

Q. You accepted a tender for 53½ cents. Then what do you mean by talking of 47 cents. Let us have that clearly.—A. I will tell you, although I have already tried to make that clear. The price we got from Garlands for the ordinary trade articles

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would be probably 27 or 28 cents, I cannot tell now from memory and I am not familiar with it, but it was for the ordinary trade articles. I don't know whether they were quoting on safety pins that size (indicating) or smaller ones, whether they were as strong as that or not; I could not tell you anything about the quality; what I was concerned in was whether the price quoted by McClenaghan was fair.

By Mr. Carvell:

Q. Look at your file and tell us.—A. I have not got the file here.

By Mr. Boys:

Q. In getting prices from the Garlands, do you know whether they were asked as to the sizes of the safety pins?—A. No. At that time we were pretty well rushed, and we just called up to protect ourselves and see what the trade prices were.

Q. You asked about the prices of certain things, and you cannot recall at the moment what those things were, or the sizes.—A. We probably had not the sizes.

Q. Have you any knowledge yourself as to the value of that housewife and contents?—A. The only way I would have knowledge of the value would be from the inquiries I made.

Q. Are you in a position to say whether 53½ cents for the housewife complete is a fair and reasonable price or not?—A. I could not tell you, sir. All I can tell you is this: that I took the usual means to find out.

By the Chairman:

Q. Did you satisfy yourself that it was?—A. I satisfied myself that it was a fair average price. Remember, we had to get these things out in a hurry.

By Mr. Boys:

In consequence of your investigations, which were thorough, I presume, at the time, you consider the price is satisfactory?—A. I considered the price very reasonable for what we got.

By the Chairman:

Q. Do you still think so?—A. I still think that under the conditions under which these were bought, it was a fair average price, a reasonable price. These had to be made by night and by day and on Sunday, and a lot of trouble had to be taken.

By Mr. Carvell:

Q. How many of these were rush orders?—A. As a matter of fact the first two lots were rush orders.

Q. Well, how many is that?—A. The first lot I think was either 20,000 or 30,000. The papers will show. I think it was 20,000.

By the Chairman:

Q. And the second lot?—A. Was either 10,000 or 20,000.

By Mr. Carvell:

Q. What about the next lot, was it a rush lot?—A. Well, as a matter of fact, every lot that was asked for was asked to be delivered in a mighty big hurry, sir.

Q. The last order was completed some time in February, was that a rush order?—A. I think delivery was asked before it was completed, but the papers are here and will show whether that was so or not.

Witness retired.

Mr. McCANN.

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Mr. H. W. BROWN, recalled and examined.

By Mr. German:

Q. You, as Director of Contracts, received requisitions I believe, for the purchase of a quantity of housewives?—A. Yes.

Q. How many did the first order number?—A. (After examining file) 30,000.

Q. Do you know Mr. J. B. E. Pageau of this city?—A. Yes, sir.

Q. Did he come to you with an offer to supply the Department with the housewives which were required?—A. I could not say now, I do not know. Mr. Pageau has been in the office there a number of times about different things, but I could not really tell you whether it was housewives or what it was. Mr. Pageau was trying to do business with the Department at different times but I could not say about the housewives.

Q. Well, I am told he came to you and offered to supply these articles at 26½ cents?—A. I don't remember that.

Q. You do not remember?—A. No, I do not remember, most decidedly not.

Q. How did you come to telephone to the 2 Macs to supply these articles without communicating with any other firm in Ottawa?—A. Well, the telephoning was done by Mr. McCann. This requisition was dated 8th August, and they wanted delivery of these in the very shortest time. The requisition was one of scores of requisitions for supplies of all sorts made about that time, within a few days of that time, and all upon very much the same conditions as to delivery—that is, delivery was required as soon as possible. Mr. McCann can tell you better than I can, I fancy, after seeing these papers to refresh his memory, about the preliminary steps prior to making this contract. I know that Mr. McCann negotiated with the 2 Macs about this particular thing, these housewives. As to the particular negotiations I really could not say now. Mr. McCann after he closed, after he made the agreement with the 2 Macs, prepared the memorandum, I guess he signed it himself, dated 11th August.

By Hon. Mr. Reid:

Q. That is shortly after the war?—A. Yes, a few days.

Q. Within 7 days?—A. Within 7 days. The war broke out on the evening of the 4th, this requisition was dated the 8th, and Mr. McCann's memorandum is dated the 11th. This first memorandum dated 11th August is addressed to the Director of Clothing and Equipment, and is as follows: (Reads)

"Ottawa, 11th August, 1914.

Holdalls & Housewives.

Your C. D. 136 calls for 30,000 Holdalls and 30,000 Housewives.

The Sealed Pattern Holdall is made of linen, and it might be very difficult to get a supply of that material in Canada.

Herewith are 3 samples of material which might be procured immediately; would you say if anyone of them might be used for the Holdalls.

A sample Housewives is sent you herewith. Do you wish the supply made the same, or would you prefer another pattern? If so, would you please describe what you would like provided, or give a sample.

(Sgd.) J. A. McCANN,

A. D. of C.

For the D. of C.

There is a reply from the D. of C. and E. of the same date, saying: (Reads)

"Pattern Housewives with contents satisfactory. Buttons all sorts should be included, red thread not needed."

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Then follow some figures here, showing Mr. McCann had discussed prices with the Two Macs. Following those figures come this memorandum, dated 19th August. This is a memorandum for the information of the Minister. (Reads):

"Holdalls

&

Housewives.

C.D. No. 136 calls for:—

Holdalls, 2,500 dozen.

Housewives, 2,500 dozen.

The following offers have been received for Holdalls:—

Smart-Woods, Ltd. (can make only) 1,650 dozen at 24 cents each.

McKenzie, Ltd., 850 dozen at 25 cents each.

It is recommended that this order be accepted."

Mr. Stewart McClenaghan (The 2 Macs) offers to furnish the Housewives filled at 53½ cents each, to commence delivery immediately and complete within two weeks.

"It is recommended that this order be accepted."

The figure mentioned for the Housewives should be 53½ cents. The letter is signed by me.

By Mr. German:

Q. These housewives are things that could be supplied by half a dozen other concerns besides the 2 Macs in Ottawa?—A. Yes.

Q. Reputable, large concerns?—A. Yes.

Q. Why were not some of these concerns asked for prices. Why did you confine your requisitions simply to the 2 Macs?—A. Principally to save time. We were dealing, as I say, with scores of requisitions at the same time.

Q. You were not saving any time by simply communicating with the 2 Macs. You could have communicated at the same time with the half dozen other concerns in Ottawa and got their prices, could you not?—A. Yes, but it would have taken time.

Q. It would not have taken much more time to telephone half a dozen than to telephone one?—A. I think it would take considerably more time; that is, if you will assume that we were doing this same work not only for this particular demand, but for scores of others at the same time, and on the same conditions. You will see it takes a little more time in each case. We were extremely short-handed; we were called upon without notice to do four and five and six times the work.

Q. Who recommended that you should apply to the Two Macs any more than to any one else?—A. It might have been the Two Macs; it might have been any one else.

Q. How did it happen to be them?—A. It might have been any one else.

Q. But how did it come to be them?—A. I cannot tell; it had to be somebody.

Q. It had to be somebody, but I think there were half a dozen concerns in Ottawa who could have done it, and it would not have taken you twenty minutes to call up the whole of those concerns?—A. I think you would find it would.

Q. How long would it take you to call up half a dozen reputable firms in Ottawa and ask what they could supply those things for?—A. I cannot tell you now.

Q. Yes you can.—A. I cannot.

By Mr. Davidson:

Q. It would take six times as long as it would to call up one.—A. It might take longer.

By Mr. Carvell:

Q. Are you sincere when you tell this committee that you gave an order for 50,000 of those articles to one firm in order to save a few minutes' time in calling other firms up?—A. 15,000.

Mr. BROWN.

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Q. Are you sincere in swearing that here, that you would give an order for 15,000 articles in order to save a few minutes' time; are you sincere in that?—A. Yes.

By Hon. Mr. Reid:

Q. Is it not the fact that you and your men were rushing night and day on account of the war?—A. We were doing six times more work than we could do. We had a staff of less than thirty; a staff that ordinarily was barely competent to do the work we usually had to do. We were called upon without notice to do at least six times the work, and we had to take the shortest way we could.

By Mr. German:

Q. The first requisition came in on 14th August?—A. 8th August.

Q. When did the troops first assemble at Valcartier?—A. I think about the 15th or 16th.

By Hon. Mr. Reid:

Q. Of what?—A. August, thereabouts; about the middle of August.

By Mr. German:

Q. They began to assemble then?—A. Yes.

Q. And they remained until when?—A. The latter part of September.

Q. So there was not such a tremendous rush for those little articles, was there, on the 8th August?—A. Put yourself in my place, Mr. German. We know now a great many things we did not know then. We had no possible means of knowing this; in fact, I did my best to find out in advance how much time we had for delivery. I could not find out, no one knew. All we knew was that the condition in respect to delivery of all those demands, not only this but hundreds of others, was to get them at the very earliest possible moment.

Q. I suppose your desire was to get even this small article in the large quantities that you wanted them, at the lowest price you could get them at?—A. Yes.

Q. You have already said there were at least half a dozen reputable concerns in Ottawa that could have supplied these things just as well as the Two Macs?—A. I have no doubt.

Q. It would have taken you, I suppose, half an hour on the telephone to call up the half dozen concerns in Ottawa?—A. Yes, but if there had been—

Q. Could you do that in half an hour or in one hour?—A. Quite possibly.

Q. In one hour, at any rate, you could?—A. Quite possibly; I cannot say positively.

Q. I think any man with common sense could say positively, but we will leave it at that. You could have got their prices as quickly as you got the price from the Two Macs?—A. From anyone I dare say; not from half a dozen.

Q. From all of them?—A. No.

Q. If you called up to-morrow morning at ten o'clock half a dozen concerns in Ottawa who could make these articles, you could get answers from them before noon, could you not, from each one of them?—A. Yes, provided there was nothing else to do; provided their telephone was not busy, or our telephone was not busy; provided there were not callers coming into the office; provided there was nothing else to do; I have no doubt that could be done in a very short time. But that is providing for many things that did not happen at that time.

Q. You did not stop to see whether they would happen or not; you did not call up anyone else but McClenaghan?—A. We did not stop to see; that thing was there before us.

Q. You did not call up anyone else but McClenaghan?—A. Excuse me, the telephoning is done by Mr. McCann; he will have to answer that. I did not do the telephoning; Mr. McCann did.

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Q. Who recommended that you should call up Mr. McClenaghan?—A. No one that I know of.

By Hon. Mr. Reid:

Q. Is it not a fact that when the contingent was to assemble at Valcartier, you had requisitions not only for housewives but for many more articles in connection with the contingent?—A. Hundreds.

Q. And you were busy all the time trying to equip the contingent with housewives and everything else?—A. If there had been forty-eight hours in a day instead of twenty-four, we could not have done it.

By Mr. Carvell:

Q. Did you not have a staff?—A. We had a staff not competent for that work.

Q. Did the Government deny you any assistance?—A. You could not improvise a staff.

Q. Could you not have written letters to those half dozen men in Ottawa?—A. To be sure we could.

Q. And you could have got answers next day?—A. Possibly.

Hon. Mr. REID: There was a war on.

Mr. CARVELL: This witness has told us this story of hurry-up so often that it is getting nauseating.

By Mr. Carvell:

Q. Mr. McCann says they telephoned to some firm, Garland's; have you the result of that—the price quoted?—A. The result is here in pencil marks, but Mr. McCann is here, and I would rather that he would answer that. He can give you this thing from his own knowledge; I cannot give you it except at second-hand. It is much better that you should get it from him direct.

By Mr. German:

Q. We had him a few minutes ago, and he could not give us anything about it.—A. He had not the papers then.

By Mr. Carvell:

Q. Is your memory so bad that you have no definite recollection that this man Pageau came to you and discussed those housewives?—A. My recollection is that I did not see Mr. Pageau, that is, I did not see him to know him for months after the date of this requisition.

Q. Is it also your recollection that he did not offer to manufacture these articles, or deliver them, for 26½ cents?—A. I won't swear to that, but my recollection is that he did not.

By Mr. Kyte:

Q. In this matter you regarded speed as more important than price I suppose?—A. Why yes, that is right.

By Mr. Davidson:

Q. Did you receive a written offer from Mr. Pageau, or from anyone else, offering to supply those articles for less than the Two Macs?—A. I do not remember seeing any written offer from Pageau or anyone else.

Q. You would have it on file if there was any?—A. Yes.

Q. In making an offer to your Department they would make a written offer?—A. We prefer to have it written only.

Mr. BROWN.

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By Mr. German:

Q. You did not have a written offer from Mr. McClenaghan, did you?—A. I think it is written here; yes, it is written here.

Q. After you called him on the telephone. What is it?—A. (Reads):—

“Mr. McCANN,

August 18, 1914.

Department of Militia and Defence,
Ottawa.

Dear Sir,—Enclosed find price list for filling for Housewife,” and so on.

By Mr. Carvell:

Q. What date is that?—A. 18th.

By Mr. German:

Q. You telephoned on the 8th?—A. The requisition was on the 8th.

By Mr. Carvell:

Q. The order was on the 9th, according to Mr. McCann. What is the date there?—A. 22nd August.

Q. Read it.—A. (Reads):—

“Gentlemen,—I have the honour to request to furnish to the Department of Militia and Defence the undermentioned articles at the prices stated:

2,500 doz. Housewives, filled, at the price quoted by you, viz.:—

Housewives, empty, 20 cents each; contents and filling, 33½ cents each.

Delivery must be commenced by the 24th inst., and be completed within two weeks after the date hereof, upon the following conditions.”

The conditions are simply a printed form. I will read it if you like.

Q. How much was that?—A. 20 cents for the Housewives, empty, and 33½ cents for the contents and filling, total 53½ cents.

Q. Read the conditions.—A. (Reads):—

(1) The articles to be supplied under this order must be in all respects similar and equal to the sealed patterns and specifications therefor.

(2) Delivery (or shipment) is to be made to the Militia Inspection Room, 113 Rideau street, Ottawa, free of all charges, on or before (as stated above).

Q. What is “stated above”?—A. That delivery must be commenced by the 24th inst., and be completed within two weeks after the date hereof. (Continues reading):—

(3) Freight or express charges are to be prepaid; if chargeable to this Department, the amount should be included in the invoice, to which a receipt from the transportation company for the amount paid must be attached.

(4) The invoice, in triplicate, and the shipping bill should be send to the undersigned.

(5) Each article of the supply should be stamped with the manufacturer's name and the year of manufacture.

Be good enough to inform me by return mail, whether you accept the order upon these terms.

I am, Gentlemen,

Your obedient servant,

(Sgd.) H. W. BROWN,

Director of Contracts.

Mr. STEWART McCLENAGHAN,

(The 2 Macs),

Corner Sparks and Bank Sts.,

Ottawa.

Mr. BROWN.

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Q. That was on the 24th August?—A. 22nd.

Q. You got the requisition from General Macdonald on what date?—A. On the 8th.

Q. That is, fourteen days elapsed from the time you received the requisition until you gave the order, and yet you did not have this to telephone to half a dozen men in Ottawa?—A. Exactly, and the very time taken to get that order out shows the congestion that we were in, the congestion of work. That is the very reason that the order was not got out. It should have been got out the very next day, but it was in this case, as in other cases, we could not begin to cope with it.

Q. When was the order given out?—A. That order was probably given to Mr. McClenaghan by telephone as soon as we got the authority; that is, on the 19th August.

Q. When did you commence to get deliveries of the goods?—A. I am afraid I cannot tell you that; I have not the invoices here. There is a delivery here, or rather an inspection report of the 25th August for two thousand odd, 2,122. That is an inspection report. That does not mean that they were delivered on that date; it means that on that date the goods had been examined and passed by the inspector. They might have been delivered several days before that.

Q. That is what I think; I think they were delivered before that. My impression is from the evidence of Mr. McClenaghan and McCann that they must have been delivered long before they got the order to make them?—A. I should hardly think it likely; I could not tell you without seeing the invoices, and I have not the invoices here.

Q. I wish you would bring them here tomorrow?—A. All right.

By Mr. Boys:

Q. I suppose Mr. Brown, the whole question is whether the price is fair and reasonable?—A. I do not know.

Q. If there is one tender or fifty, if the price is fair and reasonable everything is all right. Can you say whether the price is fair and reasonable?—A. I would rather you examine Mr. McCann.

Hon. Mr. REID: McCann says the price is fair and reasonable.

The WITNESS: He is a better judge than I.

Hon. Mr. REID: McCann said the price was fair and reasonable.

Mr. CARVELL: Taking the information you got from Garland, he thought perhaps the prices were all right.

By Mr. German:

Q. Now, Mr. Brown, I would just like one thing. One of these things in itself is a very small matter, and it might look like a tuppenny-happen investigation to squabble over the price of a few needles or pins, but here is an affair of a hundred thousand of these things for which McClenaghan received \$53,250, which aggregates a large sum. Now, what I want is some reasonable explanation as to why the Department did not ask for prices from some other of these reputable concerns in Ottawa, instead of just simply The 2 Macs. If you will explain that to me I will be satisfied?—A. I have all the requisitions here. That is the first one of the 8th August, for 30,000. The next one was dated the 1st September, that is from the Quartermaster General.

Q. For how many?—A. Asking for 20,000. These were required by the 21st of September.

By Mr. Carvell:

Q. What was the date of that order?—A. The date of that requisition is the 1st of September. Now, that is the date that Colonel Macdonald signed that requisition, it is not necessarily the date that it reached me. It reached me a day or two later,

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probably the 2nd or 3rd. After that, I had to get the authority of the Minister. Well, I was not able to get the authority of the Minister until after the 9th of September. The conditions so far as haste was concerned, promptness in delivery was concerned, are exactly the same in this case as they were in that.

By Mr. German:

Q. Now, see here. You knew, I suppose the Department knew, that they would require a further delivery than the 30,000 later on?—A. No.

Q. Why did you not make the same effort to ascertain, even after the first delivery, if that was a right price or if they could be got at a less price?—A. Well——

Q. Did you make any effort?—A. Mr. German, will you just let me say——

Q. Did you make any effort to ascertain whether that was a reasonable price or whether or not the same articles could be supplied in large quantities at a less price?—A. No.

Q. Why did you not?—A. That was just what I was going to say a moment ago. The reason we did not is that Mr. McCann, in the first place, was satisfied that that price was reasonable. We were in exactly the same condition as far as congestion was concerned on the 9th September that we were before, in fact a little worse than we were on the 8th of August.

By Mr. Carvell:

Q. Didn't even have time to telephone?—A. We were telephoning pretty nearly all the time.

By Mr. Boys:

Q. Before that contract was actually let it required your O. K.?—A. It requires the Minister's——

Q. Yours anyway I understand you are not in a position to say whether or not the price is considered fair and reasonable of your own knowledge?—A. No.

Q. Very well, that settles it. Before you put your O. K. on it, you were satisfied in consequence of information you received. Let us find out who gave that information?—A. On the assurance of Mr. McCann.

Q. That contract was O. K.'d by you on the assurance of Mr. McCann that the price was fair and reasonable? So it is really up to him?—A. Yes.

By Hon. Mr. Reid:

Q. And the Minister was away at the time?—A. Oh, no, the Minister was here at the time, and he authorized these purchases.

Q. After you had O. K.'d it with Mr. McCann.

By Mr. Carvell:

Q. Didn't he authorize it before you certified it?—A. No.

Q. Didn't you get instructions higher up?—A. Not that I know of.

Q. Do you mean to tell this Committee that the Department of Militia and Defence without instructions from anybody, gave an order to McClenaghan's at their own figures for an article which eventually amounted to \$53,250.

Mr. DAVIDSON: Mr. Carvell forgets that there has been a change of Government.

Mr. GERMAN: There will be another change shortly.

By Mr. Carvell:

Q. Do you wish to solemnly swear to this Committee that you gave an order to McClenaghan's that amounted to \$53,000 and upwards without asking any other firms and did it entirely of your own motion, without instructions from somebody higher up?—A. Not an order for \$53,000.

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Q. It amounted to \$53,000 in the end, didn't it?—A. Yes.

Q. When you put them altogether. Did you make these contracts without instructions from somebody higher up?—A. I got some higher authority in every case.

Q. I would think so. What was the higher authority?—A. On this particular case for 20,000 housewives, on this memo. to the Minister outlining what had been done before, he O.K.'d it.

Q. Just read that memo.?—A. (Reads):—

OTTAWA, September 9, 1914.

Housewives.

C.D. No. 186 calls for 20,000 housewives by 21-9-14.

The last lot required—for the troops now at Valcartier, P.Q.—was ordered from The 2 Macs, Ltd. (Mr. Stewart McClenaghan, Ottawa) at 20 cents each unfilled, and at 31½ cents each filled.

That should be 33½ cents.

It is recommended that a repeat order for the lot now required be given to the same contractor at the prices last paid.

Cost, \$10,300.50.

H. W. BROWN,
Director of Contracts.

By Hon. Mr. Reid:

Q. Did the Minister O.K. that?—A. Yes.

Q. On your recommendation to the Minister?—A. Yes.

By Mr. Carvell:

Q. Now, come back to the first order?—A. Yes.

Q. Whose authority did you have when making that contract with McClenaghan without consulting any other firm?—A. I had the authority of the Minister.

Hon. Mr. REM: After you recommended it?

By Mr. Carvell:

Q. Let us see it, what date?—A. 19th August. I read this a few minutes ago.

Q. Read it again?—A. (Reads):—

OTTAWA, 19th August, 1914.

Holdalls and Housewives.

C.D. No. 136 calls for—

Holdalls—2,500 dozen.

Housewives—2,500 dozen.

The following offers have been received for the holdalls:—

Smart-Woods Ltd.—(can make only) 1,650 dozen at 24 cents each.

Mackenzie Ltd.—850 dozen at 25 cents each.

It is recommended that these offers be accepted.

Mr. Stewart McClenaghan (The 2 Macs) offers to furnish the housewives filled, at 53½ cents each, to commence delivery immediately and complete within two weeks.

It is recommended that this offer be accepted.

H. W. BROWN,
Director of Contracts.

I have the Minister's O.K.

Q. It was really the Minister that took this responsibility and not you?—A. That was my recommendation.

Q. Now, did you make this contract of your own motion, or did you make it because the Minister O.K.'d it and gave you instructions to make it?—A. Of course, I would not make that contract or any other contract unless I was authorized by the Minister or the Deputy Minister.

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Q. That is just what I thought?—A. That was made, of course, on my recommendation.

Hon. Mr. REID: On his recommendation.

By Mr. Carvell:

Q. Do you take the responsibility for it?—A. Yes.

Q. Absolutely?—A. Yes.

Q. Did you receive instructions before you took that responsibility from the Minister or any official above you in your department to make the contract with McClenaghan?—A. Not to the best of my recollection.

Q. Did you get instructions from the Minister or anybody in the Department above you to deal with McClenaghan and no other person?—A. I do not remember getting any such instructions. I can only say what I remember, and I do not remember getting any such instructions.

Q. Then I want to treat you absolutely fairly. Then you say, so far as this first order was concerned you take the entire responsibility of consulting with nobody but McClenaghan on your own shoulders?—A. Yes.

Hon. Mr. Reid:

Q. I think in fairness to Mr. Brown it should be said that he took recommendations from McCann and acted on them.

Mr. CARVELL: He takes the responsibility.

By Hon. Mr. Reid:

Q. I would like to ask Mr. Brown that, because he was a busy man?—A. I think my evidence already explains that.

Q. Mr. McCann recommended it to you first.

Mr. CARVELL: That was regarding prices, but when it comes to make the contract—

By Hon. Mr. Reid:

Q. Even at that, Mr. McCann recommended the prices to you as fair and just, and on his recommendation you assumed the responsibility of recommending it to the Minister and the Minister accepted your recommendation and authorized you to award the contract on your own recommendation?—A. Yes. That is the ordinary routine in thousands of cases; that is, Mr. McCann very often looks after details; he very often, as in this case, knows more about the details than I do.

By Mr. Kyte:

Q. Did you have any conversation with Mr. Fripp on the subject?—A. I do not remember any; it is a good while ago, and there has been a good many things since that.

Q. This is the first order you gave to McClenaghan in this way?—A. Well, the first order for housewives. I don't remember whether they had any orders before; I really do not know, but they may have had orders.

Q. You have no knowledge?—A. I could not remember, no.

By Mr. German:

Q. Is there any rule in the Militia Department whereby all contracts which involve an expenditure of over \$5,000 must be by tender, as it is in the Railways and Canals Department and the Public Works? Does that apply to the Militia Department?—A. I do not know of any such rule.

Q. There is that rule in the Railways and Canals Department?—A. I know there is an Order in Council providing for the calling of tenders in works of construction, but I do not know any Order in Council or any regulation providing for calling for tenders for supplies.

Witness retired

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RALPH H. FLETCHER, called, sworn and examined.

By Hon. Mr. Reid:

Q. Mr. Fletcher, what is your position in the Militia Department?—A. I am Officer Commanding 22nd Field Battery, Canadian Field Artillery.

Q. Where are you located?—A. At Sherbrooke, in the 4th Division.

Q. Were you authorized to purchase horses for the first contingent?—A. The first contingent I was.

Q. Where did you purchase them?—A. In the Eastern Townships.

Q. There was a witness here the other day, Mr. Hunt, who stated that you purchased a number of horses that had been taken to Valcartier, and in the purchases that you made there were three that you still have on your farm in Sherbrooke? Is that true?—A. Quite right.

This witness, Mr. Hunt, stated that instead of shipping three of the horses that you purchased you substituted three others for those you had purchased for shipment to Valcartier, is that true?—A. The first three were mares and I substituted three geldings for them.

Q. Will you tell me what you paid for those three that you still have in your possession?—A. The three mares?

Q. Yes?—A. I paid \$250 for one, \$225 for one, and \$190 for one.

Q. That would be \$665 for the three?—A. Yes.

Q. And you substituted three geldings for them?—A. Three geldings.

Q. Will you tell us why you substituted those three?—A. I did that because it was brought to my attention that these three mares were, in all probability, in foal; but before I did so I got authority from my superior officer.

Q. Who is your superior officer?—A. Colonel Neil, the Remount Officer.

Q. How did he give you authority?—A. By telephone; I was in communication with him practically every day, very often, and during a conversation I had with him I told him that it had been brought to my attention by two different men that there were three mares among the horses we had which were, in all probability, in foal. In the one case the mare showed it, in another case it was brought to my attention by a man on the lines who told me that a man who came in from South Durham, where one of these mares was purchased, had told him that he knew positively that that mare had been covered. The third case was that of a mare from Scottstown that was reported to me by a man named Hapty that he knew personally that that mare was in the same condition as the one from South Durham.

Q. You substituted three geldings for them. Were those three horses you substituted owned by yourself?—A. Yes. You asked me about my conversation with Colonel Neil and the circumstances under which the substitution was made. I will give it to you. I further told Colonel Neil that I had the geldings which were, I thought, suitable for war purposes. He replied, "We do not want any mares down there with foal, they are no use, if you have geldings that are just as good, and if they are passed by the veterinary and they are just as good value as those mares for which they are substituted, ship them." I ordered these geldings to be sent down within a day or two, and they were passed by the veterinary; I do not remember just when they came in, but when it was reported to me that they were there I took the veterinary, and another man, my clerk, and went down to where these horses were on the lines. They were pointed out to me by one of the men working for me, he showed me these horses that had been turned in, and I turned around to the veterinary and said, "Here are the horses." The veterinary examined them and gave his certificate. Unfortunately he is laid up and cannot be here.

Q. Who was he?—A. Dr. Gaw. I have the signed certificates here that he has examined these horses.

MR. FLETCHER.

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Q. These three horses that you have substituted, have you owned them any length of time?—A. Yes.

Q. How long?—A. One of them three years, and one two years.

Q. What are their ages?—A. Five, six and seven years, as near as I can recollect. I have the ages passed by the doctor.

Q. Were they horses you had purchased or have you raised them?—A. They were horses I had purchased.

Q. From who had you purchased them?—A. One from a man named Jenkinson.

Q. And what did you pay for him?—A. That horse I bought three years ago as a colt for \$200.

Q. What about the other ones?—A. The other one I bought at auction in Montreal, I bought him in a carload three years ago, for \$175, he was three years.

Q. And the third one?—A. The third one I paid \$225 for.

Q. That will be \$600 you paid for the three?—A. It was three years old when I got it, so that it was six years, according to the doctor's certificate; and the third one which I had purchased as a three year old, was also six years old; the other one was five years.

Q. Were they worth more when you exchanged them than when you purchased them?—A. Any man will tell you that a horse, when six years old, provided that nothing has happened to him and he is sound in every way, is worth considerably more than when he is three years old.

Q. You consider that the three you kept on your farm were of equal value to those you gave?—A. I certainly do, and in that I am also backed up by the veterinary, and I am willing to leave it to anybody. There were a half a dozen or a dozen there saw the horses at the same time.

Q. Read the certificates.

Question objected to by Mr. Carvell on the ground that the veterinary who gave the certificates should first be called.

By the Chairman:

Q. What was this man's position when he gave the certificates?—A. He was a militia officer, appointed by the Militia Department to inspect every horse that I purchased.

By Hon. Mr. Reid:

Q. You say that before you made the exchange you made it a point to communicate with your senior officer, Colonel Neill, who was authorized to purchase all these horses, and he gave you authority to make this change?—A. I did, and after the exchange was made I reported to him again that the exchange had been made.

Q. Were these horses sound?—A. These horses were absolutely sound in wind and limb, there wasn't a blemish on them.

Q. That is the horses you gave in exchange were sound?—A. There was not a blemish on the mares, to my knowledge, nor was there a blemish on any of the horses. Furthermore I will challenge anyone to say that one of these horses had been sick or had a blemish during the time that I had them, or that they were out of work.

Q. There was evidence here that Mr. Hunt and you had a disagreement?—A. Yes. Mr. Hunt was working for me at the first because the officer who was purchasing horses is authorized to use a sergeant as a clerk, to take the description of these horses. At the first part of my purchasing I was using one of the regular sergeants in my Battery, who was going overseas in the First Contingent. I was also getting up a section of the ammunition column in the First Contingent and the troop sergeant asked me a second time to release that sergeant. I quite understood that they needed

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him, and I said, "Certainly", that I could use an outsider. Mr. Hunt was standing by and I asked him if he could assist me and take a description of those horses and he agreed to do so. When the purchasing was nearly finished he told me he had a horse he wanted to sell to the Government. I replied, "Very well, have the horse looked over by the veterinary, and I will buy him if he is sound." The veterinary said the horse was fit for military purposes, and I saw no more of him. The report was favourable and I purchased the animal for \$160 or \$165, I do not remember which. The next day Mr. Hunt met me and said, "I am hard up, I have been owing you an account for a couple of years, if you will give me a cheque for that horse I will send you a cheque for the account." I said, "Very well, I will give you the cheque." I made out the cheque and sent it to him for his horse, and that is the last I heard of it, for three weeks. Then I called him up and said, "I think you have forgotten your promise to me, you haven't sent the cheque to me." He was very angry over the phone, and I said, "Come down to my office and we will settle it." In the afternoon I went down town and I met him on my way to the office and during the discussion, he was very very angry, and he asked me if I had put in any account for his services. I told him I had and he asked me what it was. I told him and he jumped about two feet. He said, "Do you know I was worth \$10 a day," and I replied, "Perhaps you were." At that time I began to get angry myself and before I knew it I had told him pretty nearly where he got off. In a few moments I realized that I should not have let my temper get the better of me and I cooled off. Another party came along and he said he would put in his own account, to which I replied, "Very well, I can't recommend it." He told me that he was getting \$10 a day for his work. I said, "Perhaps you can. I am only getting four myself, perhaps you can get ten." I put in my accounts to the Government for expenses. After my accounts had gone in a cheque came back the other day and I met Mr. Hunt by appointment. I tendered him his \$32 in the presence of witnesses.

By Hon. Mr. Reid:

Q. What about his expenses?—A. I paid his expenses myself. So when he would not take it I went over to the Bank the same day and paid the money in to the Receiver General's Account.

Q. These horses were purchased from the farmers direct?—A. From the farmers direct in almost every case. I purchased a few from horse dealers.

Q. Did you pay the parties by cheque or cash?—A. Every purchase was paid by cheque.

Q. Did you take a receipt?—A. I took a receipt from every man from whom I purchased horses. I have all the receipts in my possession. I set down on the stub of the cheque book each man's name, whether it was one, two or three horses, and the amount for each horse was also put on the stub.

Q. And you say you paid no one in cash?—A. Not a cent in cash. The only cash I spent in the whole transaction was my own money for the personal expenses of the veterinary, the clerk and myself.

Q. Your cheque was given to the vendor himself?—A. To the vendor himself in every case. Here are my instructions, they were carried out to the letter. They are all here, what I was told to do (reads):—

Mr. FLETCHER.

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“(Circular Letter)”

Department of Militia and Defence,
Headquarters, Ottawa,
August 21, 1914.

To Major R. H. Fletcher,

Purchase of Remounts.

SIR,—In connection with the purchase of remounts for the Overseas Division it has been found necessary to appoint men for the purpose of canvassing districts outside of the local Headquarters of the Units under mobilization, as the number of horses being purchased has not reached the average number per day that are required.

In order to facilitate matters it has been decided that authorized Purchasing Officers will canvass outlying districts for their horses, making arrangements for days on inspection and purchase.

You will be guided by this letter as far as it meets the requirements of your case and report to me by wire what action you are taking. Any posters required can be obtained locally and the account forwarded to the office of the Remount Department, Ottawa.

The work of purchasing must be rushed, as it is required that all mounted units be on their way to Valcartier by the 23th instant.

I have the honour to be, sir,
Your obedient servant,

(Sgd.) W. J. NEILL, Lt.-Colonel,
Remount Officer.

MR. CARVELL: These details are in such marked contrast to what we find in other cases, that we are glad to have them.

THE WITNESS: Very good, sir, you are welcome to this.

MR. CARVELL: This looks like business.

THE WITNESS: I have given you my authority to purchase horses. Now, first I had better read the following circular letter which I received from the Department (Reads):

(Circular Letter.)

The Department of Militia and Defence
Headquarters Ottawa, August 24, 1914.

To,

Major R. H. Fletcher, C.F.A.,
Sherbrooke, Que.

Re purchase of Remounts.

SIR,—I have the honour to request that as soon as you have purchased the authorized number of remounts, the cheque books issued to you be returned to me, and that a statement be rendered showing:—

MR. FLETCHER.

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(a) The total number of horses purchased, classified as riding, draught, and pack.

(b) The price of each horse.

(c) All accounts for maintenance of horses, and other expenses.

(d) The places you were employed at, and the dates.

I have the honour to be, sir,

Your obedient servant,

(Sgd.) W. J. NEILL,

Lieut.-Colonel,

Director Veterinary Services....

Unfortunately I could not follow the instructions in regard to the purchase of pack horses, because I was not purchasing pack horses. I was purchasing Artillery, Riding and Draught horses. Now, the report I made was as follows (reads):

Sherbrooke, Que.,

September 15, 1914.

O.C. 22nd Battery, C.F.A.,

Sherbrooke, Que.

Lieutenant-Colonel W. J. Neil,

Remount Officer,

Ottawa, Canada.

Purchase of Remounts.

Sir,—In compliance with your circular letter V. 1-21, I beg to report as follows:—

(a) Riding..	180
Artillery..	185
Draught	30
	<hr/>
	395
	<hr/>

(b) Riding horses—		
6 horses at \$125 00		\$ 750 00
1 " 130 00		130 00
3 " 135 00		405 00
1 " 137 50		137 50
4 " 140 00		560 00
3 " 145 00		435 00
28 " 150 00		4,200 00
1 " 152 50		152 50
16 " 155 00		2,480 00
1 " 156 00		156 00
20 " 160 00		3,200 00
20 " 165 00		3,300 00
1 " 167 50		167 50
10 " 170 00		1,700 00
51 " 175 00		8,925 00
2 " 180 00		360 00
5 " 185 00		925 00
1 " 190 00		190 00
5 " 200 00		1,000 00
1 " 237 50		237 50
		<hr/>

120 horses (riding) \$29,411 00

Mr. FLETCHER.

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Artillery horses—

1 horse at	\$140 00	\$ 140 00
8 "	150 00	1,200 00
1 "	155 00	155 00
14 "	160 00	2,240 00
10 "	165 00	.. . . .	1,650 00
17 "	170 00	.. . . .	2,890 00
56 "	175 00	.. . . .	9,800 00
13 "	180 00	.. . . .	2,340 00
4 "	182 50	.. . . .	730 00
6 "	185 00	.. . . .	1,110 00
19 "	190 00	.. . . .	3,610 00
4 "	195 00	.. . . .	780 00
24 "	200 00	.. . . .	4,800 00
1 "	205 00	.. . . .	205 00
3 "	210 00	.. . . .	630 00
2 "	215 00	.. . . .	430 00
1 "	220 00	.. . . .	220 00
1 "	225 00	.. . . .	225 00

185 horses (Artillery) 33,155 00

Draught horses—

4 horses at	\$175 00	.. . . .	\$ 700 00
1 "	185 00	.. . . .	185 00
1 "	190 00	.. . . .	190 00
15 "	200 00	.. . . .	3,000 00
1 "	210 00	.. . . .	210 00
4 "	212 50	.. . . .	850 00
3 "	225 00	.. . . .	675 00
1 "	250 00	.. . . .	250 00

30 horses (Draught) 6,060 00

\$68,626 00

(c) Statement attached.

(d) August 19, 1914.—Cookshire.

"	20,	"	Sherbrooke and vicinity.
"	21,	"	Cookshire.
"	22,	"	Richmond.
"	24,	"	Compton, Stanstead and Coaticook.
"	25,	"	Sawyerville, Cookshire, East Angus.
"	26,	"	Sherbrooke and vicinity.
"	27,	"	Coaticook, Ayers Cliff.
"	28,	"	Sherbrooke and vicinity.
"	29,	"	"
"	31,	"	Magog and North Hatley.
Sept.	1,	"	Hatley, Stanstead, Ayers Cliff.
"	2,	"	Richmond, South Durham.
"	3,	"	Scotstown.
"	4,	"	East Angus, Sawyerville, Cookshire.
"	5,	"	Sherbrooke, Compton, Waterville.

I have the honour to be, sir,
Your obedient servant,

MAJOR,
O.C. 22nd Battery, C.F.A.

By Hon. Mr. Reid:

Q. Do I understand you to say—I am only repeating the question—you gave a cheque to every person you purchased horses from, and that you have a receipt from the vendor for every horse purchased?—A. Well now, there are a few exceptions to that, I must set that right. They had not sent me cheque books fast enough, and there were one or two cases in which I had to use perhaps one cheque for six or eight men. I did that only under the authorization of these men in each case, and when I did that I watched these men get their money from the bank in question.

Mr. FLETCHER

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Q. But you took a receipt from each one?—A. From each individual man.

Q. So that the several receipts would equal the amount of the cheque?—A. Equal the amount of the cheque. I also turned the stub of the cheque back and put on it what that cheque was, that it was for so many horses, the price of each horse, and each man's name went on the back of that cheque.

Q. And you have a receipt from every person?—A. Every person.

Q. And you can produce them if the committee wishes?—A. If necessary.

By Mr. Carvell:

Q. Have you got one of them with you?—A. I have not a receipt with me. I only had half an hour to catch this train when the wire came to me.

Q. Or a copy of the form?—A. When I paid out the purchase money I got individual receipts. I was not told to take receipts, but I did that for my own satisfaction.

Q. We had evidence in another case in which horses were purchased, and the custom there was to have several horses brought to a certain appointed place, a veterinary made inspection, some sort of a tag was put on the animals, and they undertook to buy. Was that carried out in the case of the horses you purchased?—A. Associated with me was a veterinary and a clerk. In nearly every case I examined the horse personally myself to see if he was of a suitable class for military purposes. I then looked him over as far as my own ability was concerned, and got the price on that horse right off, to see whether we could touch him. We were tied down to an average of \$175. As far as draught horses were concerned, I said we could not purchase for \$175, we would have to pay more for them, and we had to pay much higher. We had to pay upwards of \$200 for draught horses. I examined those horses personally. When I saw there was a chance of purchasing that horse, and the man did not ask too big a price, when I was too busy I had a veterinary go over him and examine him, and he reported to me whether the animal was right or not.

Q. Did he puts tags on your horses?—A. No.

Q. Because the evidence we already have shows that in some cases the veterinary went ahead and put certain hieroglyphics on the animal, and one witness said he did not know what they meant. There was certain figures or marks on the tag, and later on a receipt was given containing practically the same figures or marks. Did you do that?—A. I did not. As soon as I purchased a horse I immediately turned it over to Mr. Hunt and I said: "Hunt, take the description of the horse." I took a description of every single horse I purchased—the descriptive marks of that horse, how he was marked, and his conformation right through, what his colour was, his weight, and his age—and put it down in a book. I have that information of every single horse.

Q. All this can be produced?—A. Every single one. When the horse was purchased, a tag was placed on him and he was brought in to my headquarters, and my receiving agent would take that tag and read the description, so as to see that it tallied with the description of the animal. That was the invariable practice, so that no change could be made.

Q. From whom did you purchase the \$250 mare?—A. I cannot tell you the man's name. The horse was purchased at Scottstown, I can tell you by looking up the stubs of the cheques.

Q. From whom did you purchase the \$225 mare?—A. From a man named Westlake.

Q. From whom did you purchase the \$190 animal?—A. A Frenchman of South Durham. I don't remember his name but I can also produce that for you.

Q. Was the man from whom you purchased the \$200 mare a man named Coutre?—A. \$200? There was no \$200 mare.

Q. Well, \$250?—A. Well, possibly it may have been Coutre. I can tell you in the morning by getting the stubs from the cheque books.

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Q. You will be here in the morning?—A. Yes.

Q. Well, if you will come back in the morning I have only a few more questions to ask?—A. Now, to vindicate the judgment shown in reserving these mares, I would like to say that there are two out of these three mares that are very heavy with foal to-day and liable to foal at any minute. The other one is liable too, but it is not far enough along.

Q. You can give us the details in the morning?—A. If you can give me the man at South Durham perhaps I can recollect him.

Q. I am instructed that one man's name is Charles Coutre?—A. It is quite possible you know, but I can get it for you.

By Hon. Mr. Reid:

Q. At all events, the \$250 cheque was given direct to the vendor himself?—A. Direct to the person himself.

By Mr. Kyte:

Q. When you purchased these mares did you inquire whether they were in foal or not?—A. As far as I can recollect I did in every single case.

Q. You stated that in nearly every case you purchased from the owner?—A. Yes.

Q. When you did that did you make inquiry whether the mare was in foal or not?—A. As far as I could I did in nearly every case.

Q. In the case of these three mares did you make that inquiry?—A. I don't know whether I did or not. It was not brought to my attention until several days afterwards that they were in foal.

Q. I think you said \$175 was the maximum amount you were to pay for horses?—A. Pardon me sir, that was the average.

Q. That was increased in the case of the draught horse?—A. To \$202, the total average being \$173.73.

Q. Do you know a man of the name of W. J. Lynn?—A. He was working for me.

Q. What is his judgment as to the value of horses?—A. I should say his judgment should be fair. I call him a very good horseman, or I would not have employed him.

Q. His judgment as to the value of a horse would be fairly good?—A. As far as I know.

Q. Would it be as good as your own?—A. As to that I do not know; every man considers he is a better judge than the other fellow.

Q. I think he was associated with you in the purchase?—A. No, he was simply employed by me as receiving agent.

Q. One of the horses you substituted for one of those mares was rather a peculiarly spotted horse?—A. Yes, a dapple chestnut.

Mr. MCCREA: He was nearly white.

WITNESS: He was not nearly white; he was a dapple chestnut; that is all there is to that.

By Mr. Kyte:

Q. Would you be surprised to know that Mr. Lynn would not give \$100 for him because he was not worth it?—A. I would be surprised to learn that. I paid \$175 for him, and I will guarantee, and challenge any man to come here and say that that horse had blemish of any kind, any unsoundness on him, or that he was not sound in wind and limb.

Q. Possibly not, but he might have been a very slovenly horse.—A. He was not in any way; he was absolutely fitted for artillery work.

Q. That is the statement of Mr. Lynn, who by his evidence did not show that he was unfriendly to you.

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Hon. Mr. REID: I do not think there is any such evidence as that.

Mr. KYTE: I say he did give that evidence.

Hon. Mr. REID: That should not go on the record until we get the evidence.

Mr. KYTE: I heard the evidence.

Hon. Mr. REID: Get the evidence and read it. I have no recollection of any such evidence.

WITNESS: I would like to challenge any man in this room to come here and swear that any horse that I had put in for those three mares was not absolutely sound in wind and limb.

By Mr. Davidson:

Q. I understood you to say that Colonel Neil stated he would consent to the exchange provided he got a certificate?—A. What he said was, provided those horses were suitable for military purposes and were passed by the veterinarian as of equal value.

Q. And you got the certificate from the veterinarian?—A. I got the certificate from the veterinarian, simply because the veterinarian was subpoenaed to come here, but he was laid up and could not come. He will come in a few days. I wanted the certificate to show you that I was acting in good faith. I will swear to what he signed. He was all ready, he told me, to come here, but on Sunday he was suddenly taken ill with indigestion, and I think he wired to that effect. Mr. McCrea, who is the local member for Sherbrooke, says that that horse that I substituted was nearly white. Now, in my judgment, the veterinarian there calls him a dapple, and I think I can get dozens of people to state that he was a dapple chestnut horse.

Mr. KYTE: Here is Lynn's evidence (reads):—

"Q. The one you call a chestnut, is that that clouded horse?—A. I thought you were speaking about the mares.

Q. No, the horses that were substituted.—A. There were two bays and the other was a chestnut with a white face, a very pretty horse with a silver mane, a young horse about seven years old.

Q. And you consider that horse good value in exchange for a horse that he gave \$225 for?—A. They claimed that they had an offer of \$250 for that horse and would not accept it, but that is hearsay.

Q. Would you give that?—A. No, I would not, and he has got a mare I would not give half that money for to-day.

Q. Would you give half that money for that clouded horse; as an honest man on your oath, would you give that?—A. No, I would not."

The WITNESS: You stated that he said he would not give \$100 for one of the three.

The CHAIRMAN: He said one of them was almost worthless.

Mr. KYTE (resuming reading):—

"Q. You would not give half that money for the horse?—A. I would not, unless I took a fancy to him and wanted him.

Q. That is if you liked his colour, and did not care about his usefulness?—A. Yes."

Hon. Mr. REID: Read the rest.

Mr. KYTE (resuming reading):—

"Q. And that is one of the horses that was substituted for this \$250 mare; that is correct?—A. That is correct.

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Q. Wasn't another one, a bay horse with a white face and four white feet? Then there is the black horse?—A. And he was a good one too.

Q. How old was he?—A. Six years old, a lovely horse.

Q. It is a long time since he was six years old?—A. No, you are mistaken; I go by the farm every day and I am sure of that."

Hon. Mr. REID: Read on.

Mr. KYTE (resuming reading):—

"By Mr. Bennett:

Q. What were you going to say about one horse? You were going to say something about another horse?—A. He was condemning one horse, this chestnut, and I was going to say he was good value as one of these mares, that she is almost worthless."

Hon. Mr. REID: He states in his evidence that the one he gave was worth at least \$125, and the one he has is worth \$100.

Mr. KYTE: He says it was almost worthless.

By Mr. Kyte:

Q. Which of them was it that is worthless?—A. I would not say that any of the horses is worthless. I would say that any horse that I substituted was mighty good value for what I got.

Mr. KYTE (resumes reading):—

"Q. Who bought this worthless mare?—A. Major Fletcher.

Q. Was this one of the mares that the last witness spoke of, this mare that is almost worthless?—A. Yes.

Q. Which one was that?—A. The one that comes from Durham.

Q. Was she worthless at the time the exchange was made?—A. She looked pretty good.

Q. She has turned out bad since?—A. She had a foal and they put her right to work and it knocked her out."

By Mr. Kyte:

Q. Since you had it?—A. No, she had a foal, and they put her immediately to work. She was very good, she looked good when I got her, but she was bothered all winter, and when she had the foal they put her evidently to work too quickly, and she had no bottom.

Q. Is that mare with foal again?—A. Yes, sir.

Q. When did she have the foal before, this last summer?—A. I cannot tell you that. Evidently it was last summer she had the foal, because she was put to work too quickly after the foal I should judge, but the trouble is that her constitution was evidently impaired.

Q. You say that when you bought her— A. When I bought her she was in good shape; she was fit and in good shape. That was something I could not tell anything about until you work the horse. She was good to look at, and she was all right to try out. We tried out every horse we bought, every one.

Witness retired.

Committee adjourned.

Mr. FLETCHER.

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HOUSE OF COMMONS,

ROOM 211,

THURSDAY, April, 8, 1915.

The Select Standing Committee on Public Accounts met at 11 a.m., Mr. Morphy presiding in the absence of Mr. Middlebro, Chairman.

The Committee proceed to the further consideration of "Sessional Paper numbered 122 of the present Session of Parliament and all other papers in relation thereto, being copies of correspondence between the Auditor General and the Department of Militia and other Departments of the Government, laid upon the table of the House in respect to expenditures under the War Appropriation Act" referred to them by the House.

Mr. THOS. LAVALLEE called, sworn and examined.

By the Chairman:

Q. Where do you live?—A. Valcartier.

Q. What is your occupation?—A. Farmer.

Q. You understand English all right?—A. Yes

By Hon. Mr. Reid:

Q. Did you sell any land to the Government?—A. No.

Q. You did not sell any at all?—A. No.

Q. Have you had any dealings with the Government at Valcartier?—A. My place is in the plan, my property is in the plan, the Valcartier Camp plan.

Q. It has been taken by the Government?—A. Yes.

Q. Your farm has been taken by the Government as part of the Valcartier Camp?—A. Yes, according to the plan.

Q. Have you been paid anything on account of the purchase?—A. Nothing.

Q. Have you been tendered any amount?—A. Yes.

Q. How much?—A. \$57.

By the Chairman:

Q. An acre?—A. Yes, I was offered a price.

By Hon. Mr. Reid:

Q. How much?—A. \$5,500.

Q. How many acres?—A. 210.

Q. You were offered \$5,500?—A. Yes.

Q. Were you offered any other amount for crop?—A. I did not suffer anything, except in pasturage.

Q. Then your only claim against the Government is for the land they have taken?—A. Yes. They settled with me for pasture.

Q. How much did you ask the Government for your land taken?—A. I asked \$50 an acre.

Q. That would be \$10,100?—A. Yes, I asked that without the buildings.

Q. You are demanding \$10,100 and the buildings in addition?—A. Yes.

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Q. You would have the right to remove the buildings?—A. Yes.

Q. Have you received any notice that your claim would be settled through the Exchequer Court?—A. Well, I have heard it mentioned so.

Q. Have you a lawyer employed to do your work?—A. Yes.

Q. Has he advised you that the Government has notified him that the claim would be settled through the Exchequer Court?—A. No.

Q. He has not given you any notice?—A. No, I do not know just how it stands.

By Mr. Carvell:

Q. Who is the solicitor?—A. Mr. Robertson.

Q. Of Quebec city?—A. Yes.

Q. Mr. A. Robertson?—A. A. Robertson. I am the Secretary-Treasurer also of the municipality. I was asked to bring my books here.

By Mr. Boys:

Q. What is your property assessed for?

By Hon. Mr. Reid:

Q. Have you the assessment?—A. Not of all my property, part of it is in Lorette; I am right on the border.

By Mr. Boys:

Q. You know the assessment no matter where it is?—A. Yes.

Q. What is the assessment of your 210 acres?—A. \$1,800.

Q. That includes land and buildings?—A. Seemingly.

Q. \$1,800 is the assessment.

The CHAIRMAN: That is in one part.

The WITNESS: That is for two parts.

By Mr. Boys:

Q. \$1,800 is your total assessment for your 210 acres, including buildings. And for the property that you are assessed \$1,800 you are asking the Government over \$10,000 for land alone.

By the Chairman:

Q. What do you value the buildings at?—A. I did not put any value on them.

Q. What do you put on them, what do you think they are worth?—A. It is hard to tell that right off.

Q. You have an idea, better than I have?—A. I have fair buildings, and I have water.

Q. Have you a frame or brick house?—A. A frame.

Q. Two storeys or one?—A. Two storeys.

Q. How long built?—A. Thirty years or more.

Q. It is in good condition?—A. Good condition, yes.

Q. What kind is the barn?—A. A fair barn.

Q. How big is it?—A. Well, it is—there are two barns.

Q. Two barns?—A. Two barns, and two stables, one attached to the other.

Q. Worth \$1,800, the barns?—A. I fancy so.

Q. And the house worth \$1,250?—A. Well, \$1,000.

Q. So you want 10,000 plus the price of those buildings for these 210 acres?—A. Yes.

Hon. Mr. REID: \$10,100.

By Mr. Boys:

Q. What did you ask, you asked \$50 an acre for the land?—A. Right at the beginning.

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Q. What did you ask for your buildings?—A. Well, I did not put a price on the buildings at the time.

Q. The Government want your property and they have tendered you, I understand \$5,500?—A. Yes. They made a mistake in some way.

Q. Never mind about that. Do you mean to say that you have not indicated to the Government what you want for that land and buildings?—A. What I want on it all?

Q. Have you not told them what you want?—A. Yes.

Q. What was the total, you have told us that \$10,500 was the price of the land. Now, what did you want for the whole thing, not only for the land, but what did you ask in addition for the buildings?—No answer.

Q. Why do you hesitate, you must know what you asked them?—A. \$12,000 for the property, when the man came along first.

Q. And did you raise that later?—A. It is the same yet.

Q. That is the total price for the land and buildings. What are they assessed for, \$1,800?—Yes.

Q. Has your assessment been raised in the last few years?—A. Yes, on the Valcartier property.

Q. When was it raised?—A. When the municipal roll was made in June or July of last year.

Q. Was it raised in consequence of the price you were asking for it?—A. I don't think so.

Q. You don't think so?—A. I don't think so.

Q. What was the raise?—A. The raise was slight.

Q. Let us hear what it was? Don't you remember without looking that up?—A. Some \$700.

Q. You mean that was the former assessment, or the raise?—A. That is the raise, I think the other was \$560.

Q. Then if I do not mistake before this your assessment was \$1,100?—A. I do not know anything about the Lorette part exactly. I put on a valuation of \$1,500.

Q. Do I understand that your assessment for last year was \$1,800?—A. Yes.

Hon. Mr. REID: No, that is 1913.

By Mr. Boys:

Q. You are speaking of \$1,800 for the year, 1914, I presume?—A. Yes.

Q. That is what I thought. Now, for the year 1913 your assessment was \$1,100 or \$700 less, is that right?—A. Oh, no.

Q. Why do you say it was raised \$700?—A. I did not say that, I said it was \$700 on this piece of land in Valcartier.

Q. You say on this piece of land in Valcartier, is that on the land that the Government wants?—A. No.

Q. I do not want you to make a long story and to give the assessment separately, but tell me the total assessment of all the land the Government wanted in 1913, tell me from memory?—A. I do not know exactly, but it was about \$1,500.

Q. So that there was a raise last year of \$300?—A. Yes.

Q. And the year before that was it lower?—A. No.

Q. You do not know if the slight raise was in consequence of the high price you were asking for it?—A. No, it was general all over.

Q. Was there a general increase throughout the Valcartier district?—A. Yes, all over the valley.

By Mr. Rhodes:

Q. How many assessors were there last year?—A. Three.

Q. Will you give me their names, please?—A. Pat Gough, James McCartney and Charles Hicks.

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Q. And the sworn valuation of those three valuator for 1914, for assessment purposes is \$1,800?—A. Yes, sir.

Q. On the whole 210 acres?—A. Yes.

Q. Did you file a statement with the assessors as to the value of your land and buildings?—A. No.

Q. Did they ask you any question in respect of the raise in values?—A. No. I was along with them at the time.

Q. Did they not base their valuation on their conversation with you?—A. Well, it was general conversation. I spoke about it, but they were the valuator.

Q. Did they discuss the value with you?—A. Yes, I had the old book and they referred to it a good deal.

Q. And then the valuation would be based, at least in part, upon the valuation which you gave them?—A. Some.

Q. You say you are the Secretary-Treasurer of the Municipality?—A. Yes.

Q. Upon what basis did they assess as to the valuation?—A. So much to the hundred dollars.

Q. That is as to the rate, but the point I wish to get at is this? Do they assess up to the full value?—A. Oh no.

Q. What is the general percentage upon which they assess?—A. I do not know.

Q. You do not know?—A. No, they go by the old record every year, mostly, and if the land is advancing they increase it.

Q. But there is a general understanding in your township, I suppose, the same as in most townships, that the assessment is 70, 75 or 80 per cent. of the value?—A. It wasn't mentioned.

Q. As Clerk of the Township what do you say as to the general understanding as to the assessment value? Would it be 75 per cent. or 80 per cent.?—A. I do not think so.

Q. What would you say?—A. I won't say at all.

Q. You won't say?—A. No.

Q. Are you farming your place yourself or is it rented?—A. I am farming it.

Q. You knew these valuator, did you not?—A. Yes.

Q. They are familiar with and know the locality, do they?—A. Yes, they live on the farms.

Q. And they are reputable men?—A. Yes.

Q. And men of good judgment?—A. Yes.

By Mr. Edwards:

Q. Are your valuator appointed every year?—A. Every three years.

Q. How long have these men been in office?—A. I do not know, we only take the valuation every three years.

Q. What is your rate of taxation?—A. \$1.20 per hundred dollars this year. I would like to know, while I am sitting here, something about the taxes on this land.

Q. That has nothing to do with the Committee here.—A. I do not know about that. I would like to know. There is \$1.20 on the hundred dollars of taxes on my land, and that is not coming in. I want to know something about that, is the Government going to pay it? It is just this way, the Government owns that part of the land, and are they going to pay the taxes, we have kept up the roads throughout the winter and that is no small job in that country. They are assessed just the same as the others and they should pay.

By Mr. McKenzie:

Q. You say you have 200 acres of land?—A. 210 acres.

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Q. 210 acres of land, and it is within the limits of the Valcartier Camp, so called, is it?—A. Yes, we asked for a part of it to be kept back; I did not want to sell at all, and we asked to have 12 acres, and then we would sell the balance, there were negotiations about that, I do not know how it is now, they say they don't want it.

Q. I understand this camp is four miles one way and five miles the other way. If that be correct would it take in the whole of your farm?—A. The plan takes in the whole of the farm, but they do not want it.

Q. But the plan takes in the whole of your farm?—A. Yes.

Q. Now do you know the men who were appraising for the Government?—A. No, I don't know their names.

Q. Do you know them?—A. Some of them I don't, I think I know one, especially Goodfellow, they never came near me at all and I don't know anything about it.

Q. Would you say that no valuator of the Government ever consulted with you about the value of your land?—A. Not at all.

Q. Didn't you see anybody going over the place?—A. No, they were not over my place at all.

Q. Have you timber on your property, or is it partly cleared and partly timbered?—A. There is timber on what they wanted, and on the other part as well.

Q. You say you knew one of the Government appraisers?—A. Well, I heard of one, but I am not certain about it; they went at it two or three times, but I do not know which was the right one.

Q. Is the man that you knew to be an appraiser a native of that place?—A. Yes, he was at one meeting; I heard there were two, but I do not know, I am not certain.

Q. This man you believed to be one of the Government appraisers is a native of the place down there?—A. Yes.

Q. What does he do?—A. A farmer and a milldriver.

Q. Were they all expert valuers with experience in real estate?—A. Do you mean Robert Goodfellow?

Q. Was he an expert in real estate?—A. No.

Q. He was just a farmer, like any of the rest down there?—A. Yes.

Q. And even Colonel McBain never went near your place at all?—A. No.

By Hon. Mr. Reid:

Q. Did Colonel McBain call and see you on your own property?—A. No, but he had a chance to see it.

Q. You never saw Colonel McBain there?—A. Not at the house.

Q. Did he ever discuss it with you?—A. We talked about it at the camp last summer.

Q. He talked it over with you?—A. Yes, he asked me my price.

Q. Did he tell you he was representing the Government?—A. Yes.

Q. And he wanted to know your price on behalf of the Government?—A. Yes.

Q. And you told him then?—A. Yes, I told him then, \$50 an acre.

Q. That would be \$12,000 for the whole property?—A. Yes.

Q. Did he make you an offer then?—A. No, he didn't, he said it was out of the way.

Q. That is out of the way in price?—A. Yes.

By Mr. McKenzie:

Q. Did any person ever take an option from you on your land?—A. No, not at all, I never wanted to sell, I was never anxious to sell.

Q. And Colonel McBain never went to you for an option, did he?—A. No, he came to buy.

Q. Who were his agents?—A. There was Thomas Belling and his brother Arthur McBain.

Q. They came to buy?—A. Yes.

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Q. They did not ask for an option?—A. No, they came to buy.

Q. And didn't you tell those two men what your price was?—A. Yes, I did, the first time they came.

Q. Was that the same as you told Colonel McBain later on?—A. Well, in a way it was. I would have sooner never sold the place at all, near the front. I asked Colonel McBain \$50 an acre for the back.

By Hon. Mr. Reid:

Q. You say you were offered \$5,500 by the Government?—A. Yes, sir.

Q. Would you rather have your place back than take \$5,500?—A. I would, a great deal.

Q. You are sure about that?—A. Yes, sir, sure about that.

By Mr. Edwards:

Q. What was the total amount of taxes you paid on this 210 acres last year?—A. Last year? You see I pay it in two places. I pay it to our own municipality and to Lorette. I have no record at all of Lorette. I am not the secretary-treasurer of Lorette.

By the Chairman:

Q. Can you not remember what your tax bill was within ten or twenty dollars?—A. Oh, yes.

Q. What was it?—A. My tax bill was about \$16 at Lorette and it was \$2 a hundred here—about \$14 or \$15 at Valcartier.

Q. \$30 altogether?—A. Yes.

By Mr. Edwards:

Q. Is that all?—A. That does not take in the school tax.

Q. Is that \$30 the amount of taxes you paid on these 210 acres?—A. Yes.

Q. How much would your school taxes amount to?—A. It is about 70 cents a hundred.

Q. Then your school taxes would be about \$12 or \$13?—A. Yes, I paid last year \$13 and some cents.

Q. That would make your total taxes, school and everything else, on these 210 acres about \$40?—A. Something like that.

By the Chairman:

Q. \$43?—A. Yes.

By Mr. Boys:

Q. Your school taxes would amount to 70 cents a hundred in addition to the \$1.20 you spoke of. So the total taxes would be \$1.90 per hundred?—A. Yes.

By Mr. Davidson:

Q. You were only asking the Government fifty times as much as your property was assessed at?—A. That is neither here nor there. I liked the place.

By Mr. McCrea:

Q. Did the Government buy suitable property in your locality?—A. Yes, they bought some.

Q. How much an acre did they pay?—A. I don't know what they paid.

Q. Do you know of any case where they paid \$50?—A. No.

By the Chairman:

Q. You say that Arthur McBain went to you?—A. Yes.

Q. Along with a man named Belling?—A. Yes.

Q. What did they ask you?—A. Asked me to sell my property to the Government.

Q. Did they ask you to sign a paper?—A. I believe they did.

Q. Do you know what an option means?—A. Yes, but I would not sign any paper they brought.

Q. Did they ask you to give an option on your farm?—A. I do not think so. I do not think that was what the paper was.

Q. Did you read the paper they asked you to sign?—A. No.

Q. Did they read it to you?—A. I think they did.

Q. What was it?—A. I cannot tell you exactly.

Q. Was it about your farm?—A. Yes, sir, something.

Q. Was \$5,500 mentioned in it?—A. No, no.

Q. Then who offered you the \$5,500?—A. It came to me by letter from William McBain.

Q. Is that Colonel McBain?—A. Yes, Colonel McBain.

Q. I understood you to say a while ago that nobody offered you that on behalf of the Government?—A. Yes, \$5,500 I was offered.

Q. On behalf of the Government?—A. Oh, yes, for the Government.

Q. For property assessed at \$1,800?—A. Yes.

Q. For which you now want \$13,000. Is that right?—A. Yes.

By Mr. Boys:

Q. I understood you to say you were tendered that amount?—A. I was not tendered that amount

By Mr. McKenzie:

Q. How long have you been an officer of the municipality down there?—A. Twenty years.

Q. And when anybody sells his land, does he look to the assessment as something that should govern him in fixing the price?—A. They do not.

Q. I suppose the assessment is kept as low as possible?—A. That is the point.

Q. That is the main thing in all the country places I know of?—A. That is the point.

By Hon. Mr. Reid:

Q. And to put the selling price at as high a figure as he could get?—A. You have it there.

By Mr. Carvell:

Q. You are not a lawyer?—A. Not at all.

Q. You do not know how the Assessment Court looks at values?—A. No.

Witness discharged.

Mr. ADAM AIKENS called, sworn and examined.

By Mr. Carvell:

Q. Where do you reside?—A. In Valcartier.

Q. How long have you been there?—A. Well, I have been there all my life. I was born and raised there.

Q. And your father before you?—A. Yes, sir.

Q. Does your farm front on the river?—A. No, sir, my father's farm does, not mine.

Q. You are in the rear concession, are you?—A. Yes, sir.

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Q. How far would that be back from the river?—A. About half a mile.

Q. Does your farm front on the river?—A. No, sir.

Q. You have a side road of some kind?—A. We have a by-road for ourselves.

Q. Is your farm within the area included in the plan as filed?—A. Yes, sir.

Q. Have they paid you for your land yet?—A. No, sir, they have not paid me yet.

Q. Has anybody discussed the matter with you?—A. Yes, I have with Mr. Craig and Colonel McBain.

By the Chairman:

Q. Who did you say?—A. Colonel McBain.

By Mr. Carvell:

Q. Who else?—A. That is all.

Q. Tell us generally what the conversation was when you were talking about the purchase of the farm?—A. Well, I sold it to them for \$3,100.

Q. And did he agree to that?—A. Yes, he agreed to that and signed the papers for that.

Q. How many acres are there?—A. 225.

Q. Did he pay you?—A. He gave me \$100 in cash.

Q. That was only something to bind the bargain. Did you sign an agreement of my kind?—A. I signed an agreement for \$3,100.

Q. He paid you down \$100?—A. \$100.

Q. When was that agreement signed?—A. Just about the time the soldiers were going away. I forget the date, I have not got the exact date.

Q. Some time last autumn?—A. Yes, around that.

Q. And you say you have not got the balance?—A. No, sir.

Q. There was no dispute between you and the department as to the price of your farm?—A. No, sir, there was not.

Q. The only difficulty seems to be to get the \$3,000?—A. That is all, sir.

Q. Did you have any other claim against the Department?—A. Yes, sir, there is a claim of \$200 for my potatoes, against Colonel McBain and Mr. Craig.

Q. How much?—A. \$200.

Q. What is that claim for?—A. My potatoes alone.

Q. Did they destroy your potatoes?—A. No, they bought them from me, dug them and took them away.

Q. And you are willing to accept \$200?—A. Yes, sir.

Q. And they agreed to pay you \$200?—A. Yes, sir, they agreed to pay me \$200. They brought along a cheque for \$400 and wanted me to sign it.

Q. To endorse it?—A. To endorse it.

Q. Who brought that cheque?—A. Captain Arthur McBain. He did not bring it to me but called me to the office.

Q. Was there anybody else with him?—A. Mr. Stapleton.

Q. Mr. Stapleton was with him?—A. Yes.

Q. And they produced to you a cheque for—?—A. \$450.

Q. Was it a Government cheque?—A. He said it was a Government cheque, I don't know.

Q. Did you look at it yourself?—A. No, he would not let me look at it.

Q. He asked you to endorse the cheque?—A. He asked me to endorse the cheque. I asked him to let me read it and he would not say yes or no or anything else.

Q. Did he not let you take it in your hand?—A. No, he did not offer it to me.

Q. How were you going to get the money?—A. He said for me to take whatever was coming to me and that he would take the rest.

Q. And he told you it was for \$450?—A. He did.

Q. And he asked you to endorse it?—A. He did.

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Q. Did you endorse it?—A. I did not.

Q. Why didn't you endorse it?—A. I would not unless he showed it to me.

Q. Did you ever receive the \$200?—A. No, sir.

Q. The Government still owes you \$200 for your potatoes?—A. Yes, sir.

Q. If you got that \$200 would you be satisfied over that one transaction?—A. I would be satisfied for my potatoes.

Q. Over that one transaction alone you would be satisfied?—A. Yes.

Q. When did Captain McBain ask you to endorse this cheque for \$450?—A. Some time after Christmas, some time in the winter just after they moved me off my property.

Q. Have you heard from him since about it?—A. No, sir, I never heard from him since. He never mentioned it since then.

Q. So you have not got your pay?—A. No, sir.

Q. Did he explain to you what he was doing with the other \$250?—A. Not to my knowledge, sir.

Q. I do not suppose I would have a right to ask you what your suspicions were? However, you had your suspicions, did you?—A. I had none just at the time.

By Mr. Boys:

Q. Captain McBain did not make any effort to conceal from you the amount of the cheque?—A. He said for me to take mine and he would keep—he did not say he would keep the rest, or what he would do with it.

Q. You stated in reply to Mr. Carvell, that he did not allow you to see the cheque. A. He never offered me the cheque.

Q. I suppose the important part of a cheque generally is the amount?—A. I suppose so.

Q. He did not try to keep that from you, he told you what the amount was.—A. He told me he would give me what the amount was.

Q. Your place has been sold?—A. Yes.

Q. So they owe you not only \$200 for potatoes, but the balance, less \$100, for your land?—A. Yes, sir.

By the Chairman:

Q. How did you get the \$100?—A. Mr. Captain McBain gave me the \$100, or rather Colonel McBain.

Q. Did he give it to you by cheque or cash?—A. He gave it to me by cheque.

Q. Whose cheque did he give you?—A. Well, I think his own; I am not certain.

Q. Did you look at it?—A. I cannot read.

Q. Did he tell you on the occasion that the other cheque was presented, that he had advanced you \$100 in the first place out of his own money?—A. He did not say.

Q. And that he wanted to protect himself on that?—A. I do not remember him saying that.

By Mr. Carvell:

Q. Was there any intimation made by Capt. McBain at the time he asked you to endorse this cheque, that any portion of the \$200 was to go for the purchase of the land?—A. No, he did not.

Q. The only transaction discussed was that the \$200 was for the potatoes, and he was to get the rest; is that right?—A. I suppose so; there was no mention of land in the balance of the money.

By Hon. Mr. Reid:

Q. You say that the option you signed was for \$3,100 for the land alone?—A. No, the option was for \$2,600, but the option was no good.

Q. Did you sign any more than one option?—A. No, sir.

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Q. You signed an option for \$2,600 for the land alone?—A. The option was renewed.

Q. You signed an option for \$2,600. How do you explain the difference between the option for \$2,600 and the \$3,100?—A. When I signed the option, Capt. McBain came along and Jim Barrie, and they wanted me to sell my property, to leave it for their own selves. They were not buying for the Government at that time; the Government came on after that.

Q. For \$2,600?—A. Yes, to leave it for themselves.

Q. But how do you explain the difference between the \$2,600 and the \$3,100; what was that for?—A. When he did not come at the time he promised to see me, the bargain was no good.

Q. Did you sign another option?—A. No, more options.

Q. For \$3,100?—A. I signed an agreement with Colonel McBain for \$3,100.

Q. What was included in that \$3,100, just the land?—A. The land.

Q. The land alone?—A. The land and building, though the buildings were never mentioned.

Q. Was there anything in that for damages?—A. No, sir.

Q. For crop?—A. No, sir.

Q. You read it over?—A. I could not read it.

By Mr. Davidson:

Q. The option which you signed when you thought Colonel McBain was going to take this land for himself, was a fair valuation?—A. Yes, sir, it was a fair valuation.

Q. If Colonel McBain was buying it for himself?—A. He was buying for the Government at the time.

Q. But the option you gave to Colonel McBain——

Mr. GERMAN: Captain McBain.

WITNESS: I figured what I paid for it myself.

By Mr. Davidson:

Q. But when he was buying it for himself, you thought it was a fair valuation?—A. Yes, for a man to live on.

Q. You thought that it was more valuable for the Government?—A. The land rose up immediately.

By the Chairman:

Q. How much did you pay for it?—A. \$1,800.

Q. How long before?—A. Five or six years before.

Q. Had you made any repairs?—A. I had made improvements on the property.

By Mr. Boys:

Q. There was a regular land boom around Valcartier?—A. Well, if I wanted to buy at Valcartier to-day, I could not.

Q. But there was a land boom on?—A. There was something; the land rose up.

By Mr. McKenzie:

Q. Do you know anything about the burning of clothing, or of property, which appeared to be Government property, on the premises?—A. Well, yes, sir; I saw clothes burning there in piles; I did not see whether they were good coats or bad. They looked to be good coats, on the Government ground.

Q. When was that?—A. The last week before the troops left.

Q. Did you offer to buy some of the clothing?—A. Yes, sir, I offered to buy a coat—me and Mr. Goodfellow and my father. The soldier was there; he was supposed to be the guide. I offered \$5 for the coat and he would not take it.

Q. Those were the coats they were burning?—A. Yes, sir.

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Q. Many of them?—A. There seemed to be a large quantity, several piles from the camp grounds, so far as I could see.

By the Chairman:

Q. Why were they burning those clothes?—A. I could not tell you.

By Hon. Mr. Reid:

Q. Were they uniform coats or civilian coats?—A. Uniforms, buttons and all on them.

Q. You wanted to be a soldier?—A. I thought if I paid \$5 for it I was not stealing it.

Q. You wanted to go around as a soldier?—A. As long as a man bought and paid for a thing that was burning it was alright, wasn't it?

Mr. CARVELL: Better than seeing it burn.

WITNESS: Getting \$5 was better than burning it.

By Mr. McKenzie:

Q. Was the coat you offered to buy what is known as a khaki-coloured coat; was it one of the coats which the soldiers wear?—A. I cannot exactly described the colour; there was some black ones and some brown ones.

By the Chairman:

Q. Do you know if they came off the men in the hospital?—A. I do not know.

Q. And you did not care, so long as you got it for \$5?—A. I did not care.

By Mr. Carvell:

Q. Have you any idea as to the number that was being burned; you say you saw piles. How large were the piles?—A. I did not pay any attention to the size of the piles; they were fair sized piles.

Q. Would they contain three or four, or how many?—A. I should say two hundred or three hundred in large piles.

Q. How many piles were there?—A. Several piles; eight or nine piles, so far as I could judge.

Q. Were there any blankets in those piles?—A. Yes, sir, there were some blankets in the piles that I could see.

Q. Were there any other articles of uniform, or necessities for the soldiers?—A. There were caps I think too; that is all I could see in the pile.

Q. How many caps?—A. I could not see rightly; they were all in a pile.

By Hon. Mr. Reid:

Q. In what part of the camp were they burned?—A. About middleways in the camp.

Q. Near any hospital?—A. No, sir.

Q. Do you know where the hospital was?—A. Yes, sir, I know where the hospital was.

Q. They were taken out into the open and burned?—A. Yes, sir.

Q. Away from the soldiers?—A. Right in the middle of the tents.

By Mr. Boys:

Q. You have no idea why they were burned?—A. No idea at all.

By Mr. Kyte:

Q. Were those the tents where the supplies were kept?—A. They were burned between the camps.

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By the Chairman:

Q. In open daylight?—A. Yes, in open daylight.

By Mr. Reid:

Q. Practically in the presence of the men?—A. Yes, sir.

Witness retired.

Captain STAPLETON recalled.

By Mr. Reid:

Q. I understand you are a Captain in the Imperial Army?—A. Yes, sir.

Q. Did you hear the statement of the last witness as to the burning of clothing at Valcartier?—A. Yes, sir, I heard something of it; I did not quite catch it all.

Q. What have you to say about the burning of clothing there?—A. I saw no burning.

Q. You know nothing about it, then?—A. Nothing about it personally.

Mr W. H. BENNETT: The statement the witness made was this: He said that Captain Stapleton and Captain McBain came to him with a cheque for \$450, and said that he was to take \$200 for potatoes; and they said, you endorse the cheque; we will give you \$200, and we will have the balance for ourselves.

Mr. KYTE: He did not say that.

Mr. W. H. BENNETT: I thought that was the effect of it.

Mr. CARVELL: He said that Capt. McBain called him into the office and Capt. Stapleton was present; I think that is the way he put it.

By Mr. W. H. Bennett:

Q. Do you remember the occasion?—A. I remember this person. I had a cheque, and I read it over to him in the presence of Capt. McBain, and I asked him to endorse it, because, if I remember rightly, the cheque was made out in his name and Colonel McBain's name, and I wanted him to endorse it, and the cheque would be sent back to Colonel McBain for his endorsement, and he would get the balance that was due to him. That is all that I remember.

Q. \$200 were due to him?—A. I believe that was it.

Q. What was to become of the \$250?—A. That I cannot say, but the cheque, if I remember rightly, was made out in two names, Aikens' name and Colonel McBain's name. My instructions were, at least I was working with Capt. McBain, to read it over to the man. I read it over to him, and I told him that when he signed that Colonel McBain would also endorse it and he would get the amount that was due to him out of that cheque.

By Hon. Mr. Reid:

Q. That would be the \$200?—A. Yes.

By Mr. W. H. Bennett:

Q. How much was the cheque for?—A. I believe it was for \$400 perhaps \$450.

By Mr. Carvell:

Q. Have you had any experience in handling Government cheques regarding the purchase of properties?—A. I cannot say I have, sir. I am there as Assistant Superintendent, I was with Capt. McBain, and I was acting for him. I had no great experience in this sort of thing; it is not in my line, but I have been doing a good deal of clerical work for Capt. McBain, and he asked me to read this cheque over to the man.

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Q. Did you ever know another case in which a cheque was made payable to the party himself and to William McBain?—A. Yes, sir, I think I had.

Q. Give me the name?—A. I think there was the case of Thomas Neill.

Q. What was it for?—A. That was for damages, so far as I can remember, and I believe Capt. McBain advanced him so much money, and the cheque was made out in the two names. I wanted Mr. Neill's signature, and it also was sent back to Colonel McBain for his signature, and the man would receive the amount that was due to him. But we could do nothing with it, for the man refused.

Q. Do you know whether he ever got paid or not?—A. I cannot say. I got rather cross on one occasion, and I left him; he said he would refer me to a lawyer in Quebec, I believe a Mr. Laurie.

By Mr. Rhodes:

Q. That would not be Robertson?—A. I cannot say; it was some lawyer in Quebec.

By Mr. Davidson:

Q. It would not be Laurier?—A. I do not know whether it was Laurier or not.

By Mr. Carvell:

Q. Had you ever any such experience with Mr. Hugh McLaughlin?—A. I do not think I had with Mr. Hugh McLaughlin; I do not remember taking a cheque to him just now.

Q. Do you remember a Mr. Henry Crawford?—A. Yes, I think he signed his cheque; I am almost sure he did, in the usual way. He put his endorsement on it, and it was made out in a dual signature. It would go back in the usual course.

Q. To whom?—A. To Colonel McBain or his Secretary. They were sent to Colonel McBain's Secretary, I believe.

Q. Now, I would like you to look at that cheque. This is cheque No. 3417 (hands to witness). Tell me in whose favour that cheque is made?—A. It is made in the name of Henry Crawford and William McBain.

Q. Turn over the cheque and read the endorsement?—A. (Reads):

"Henry Crawford. Deposited to the credit of W. McBain, signed by W. McBain, J. R. Bourassa, per Accountant."

Q. Is Mr. McBain's signature on the back of that cheque?—A. Well, I cannot say, I do not know.

Q. Don't you know Mr. McBain's signature?—A. I should not like to swear to it.

Q. I have a cheque here for \$18,000, payable to Mr. McBain and Mr. Renaud, this is cheque No. 1501. Just look at that please (hands to witness)?—A. Yes.

Q. Look at the endorsement?—A. Yes.

Q. Is the same endorsement on that cheque that you find on the other one?

The CHAIRMAN: Have you established that the witness is competent to say.

Mr. CARVELL: I am asking if it is the same handwriting?

The CHAIRMAN: Have you established that this man is an expert, competent to judge?

Mr. CARVELL: We have an intelligent gentleman on the stand.

The CHAIRMAN: He is intelligent, but he has not shown he is an expert in handwriting.

Mr. CARVELL: I put two documents before him, and asked if in his judgment they were signed by the same man. I could take a farmer and do that with him.

The CHAIRMAN: You have no right to establish expert opinion unless you have a competent witness.

Mr. CARVELL: You will not take the position of ruling that question out?

The CHAIRMAN: I certainly will. If you do not like it, appeal to the committee.

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Mr. CARVELL: I have placed in the witness's hand, a cheque made in favour of Colonel McBain for something over \$18,000, with the signature of William McBain on the back of it. I have placed in the witness's hand another cheque in favour of William McBain, for a smaller sum with the signature of William McBain on the back of it. I am asking that witness if, in his opinion, those two cheques are endorsed by the same person.

The CHAIRMAN: That is expert evidence.

Mr. CARVELL: Are you going to rule it out?

The CHAIRMAN: Absolutely.

Mr. CARVELL: I appeal from your ruling.

By Mr. Boys:

Q. I would like to find this out from this witness. Did you or did you not know Colonel McBain's signature?—A. I do not know it for certain.

Mr. CARVELL: I object to any evidence. I want this vote settled now.

By Mr. Boys:

Q. Do you or do you not know his signature?—A. I could not swear to his signature.

The CHAIRMAN: The position is this: The man who signed the cheque, Colonel McBain, is at the table. Mr. Carvell, being a lawyer, ought to know and does know, I verily believe, when he introduces a witness, to give opinionative evidence of an expert nature, he has to establish one thing, that by virtue of his experience he puts himself in the category of men entitled to express such an opinion. He attempts to get over that position by saying that he asks merely a comparison of handwriting between two signatures.

Mr. CARVELL: That is my question.

The CHAIRMAN: That is expert knowledge he is trying to prove by this particular witness. The rule of law is, and always has been, that before a man can be asked a question a solicitor or counsel calling him must lay a certain foundation. That foundation is that by vast experience and judgment of handwriting he is competent to say whether the signature is similar to one in doubt. Mr. Carvell knows that.

M. CARVELL: Don't ever ask me to accept a doctrine like that.

The CHAIRMAN: The next point that is raised is that he seeks to get evidence out of the witness upon the grounds that, not being an expert at all, he can judge between these signatures. The witness has sworn that he does not know Colonel McBain's signature sufficiently well to answer that question. And I do not care for parliamentary rules particularly that would compel the Chairman to take back anything of that kind. I don't care what happens, if Mr. Carvell is doing it for gallery play, or conscientiously, that is my ruling and I am going to stick by it.

Mr. CARVELL: Let us take a vote. Shall the decision of the Chair be sustained?

Committee divided, on motion to sustain the ruling of the Chair.

The ruling the Chair was sustained by 13 to 8.

By Mr. Carvell:

Q. Now, will you let me see those papers, please?

Mr. BLAIN: I am going to ask Mr. Carvell to now let the gentleman who signed that document go into the box and state whether it is his signature or not.

Mr. CARVELL: I have not insinuated for a moment that there is any forgery. I do not think there is any forgery. I will tell you frankly that as a lawyer I could not agree for one moment with the Chairman's decision which I think was given hastily and therefore decided to take the opinion of the committee upon it. The committee having sustained the Chair, I accept the ruling of the committee and will proceed, with the witness.

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The CHAIRMAN: As Chairman of this committee I do not want Mr. Carvell or any other gentleman to impute that in the ruling I have made here I was in haste. Objections have been made from time to time to certain questions as if this were a court proceeding, I have done my best to leave the law and to conserve the public interest first. I have been very wide in the admission of evidence, but that struck me as being entirely improper and against the rules of evidence, and my ruling was not made in haste but it was deliberate.

Mr. CARVELL: I have said before, Mr. Chairman, that you have been very broad in your rulings, but that I thought you were wrong in this one.

Debate followed.

By Mr. Carvell:

Q. You told me, I have forgotten the name just now, of another gentleman to whom the cheque was made for a certain amount jointly with Mr. McBain?—A. Yes.

Q. And that it included a portion of the money that McBain had advanced?—A. Yes.

Q. Who was the gentleman?—A. I believe his name is Thomas Neil.

Q. What was the amount?—A. I believe that Colonel McBain advanced \$600, but I do not know exactly what was the amount of the cheque. If it is the same man I am speaking of, I approached him twice, possibly three times, and he would not endorse the cheque, so I took it away again.

Q. What was the amount?—A. I believe the amount to Colonel McBain, I am not positive, but I think it was \$600.

Q. I tell you now, I find a cheque here in favour of Thos. Neil, cheque No. 3410, for \$640; the amounts are so nearly alike that probably it is the same cheque. We will find it here—I do not find that cheque here.

Colonel McBAIN: This cheque was issued some time ago to Mr. Neil.

Q. You say, as far as you know, Mr. Neil did not endorse the cheque?—A. No, sir.

Q. Do you know of any other gentleman who refused to sign cheques, do you know anything about Alexander Aikens?—A. I do not know much about him, but I believe he did not sign the cheque, I am not quite sure on that subject.

Q. Do you know anything about Thomas Holton?—A. Well, yes, I know something about him, too.

Q. Did he sign the cheque?—A. I believe he did.

Q. Was Mr. William McBain's name erased from the cheque before Mr. Holton endorsed it?—A. That I cannot say.

Q. I want you to look at this cheque, No. 3402; to whom is it made payable?—A. To Thomas Holton and William McBain, and William McBain is crossed out.

Q. And by whom is it endorsed?—A. By Thomas Holton.

Q. Or it purports to be?—A. It purports to be, yes.

Q. Do you know whether Thomas Holton refused to endorse the cheque with William McBain's name on it, or not?—A. I think he did, but I do not think it was done in my presence. I only heard of it, so it is only hearsay.

Q. I asked you about Alex. Aikens?—A. Yes.

Q. You can take my word for it, this was made payable to McBain and his name was crossed out, and purports to be endorsed by Aikens. Do you know if he refused to sign it until McBain's name was crossed out?—A. I believe that is the same, to the best of my knowledge.

Q. How was it that against these erasures on a lot of these cheques, I am not going over the whole of them, but there is the initial of R.P.B., who would that be?—A. I do not know.

Captain STAPLETON.

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Q. I think it is the accountant, because I notice in the corner—well now, I am going against the chairman's ruling—I will show it to the chairman.

The CHAIRMAN: I do not know the man or the signature.

Hon. Mr. REID: "R. P. Brown, Accountant and Paymaster General," and then there are the initials.

Mr. CARVELL: There is no doubt in the world about it. I do not want to throw any insinuations around this, but there is no doubt in the world that the changes were made by the Department.

By Mr. Carvell:

Q. I have here a cheque to Mrs. O. McKinley?—A. No, I do not know anything about her.

Q. Mrs. S. Lapierre?—A. I do not know anything about this cheque either.

Q. Curtis Billing?—A. No, sir.

Q. Geo. Wolff?—A. No, sir.

Q. William Crawford?—A. No, sir.

Q. Hopper Brown?—A. No, sir.

Q. Mrs. Ireland?—A. Mrs. Ireland—no, I do not know, I don't know whether she signed it or not, I believe she did.

Q. Do you know she refused to sign it until McBain's name was erased?—A. No, I couldn't say for sure, I believe she eventually signed.

Q. Jerry Fogarty?—A. I don't know anything about him.

Q. Thomas Knox?—A. No, sir.

Hon. Mr. REID: You might give the dates the banks cashed those cheques.

Mr. CARVELL: Yes, I will go back. Thomas Holton, cheque issued 24th of October and it is paid on the 24th of February, 1915. The next is Alexander Aikens, \$650, issued on the 24th of October, 1914, and paid on January 18, 1915. The next is Mrs. O. McKinley, dated October 24, 1914, and paid on January 16, 1915.

Hon. Mr. REID: That is enough just to give us an idea when they were issued and when paid.

Mr. CARVELL: In fact I think you will find all of these were paid in last January.

Hon. Mr. REID: The reason I ask that is that Colonel McBain states that the reason his name was crossed out was that he was in England at the time and they could not get his signature so they scored out his name.

Mr. CARVELL: All right, when did he come back again?

COLONEL MCBAIN: On March 10th.

By Mr. Carvell:

Q. Then you do know of other names besides Alexander Aikens to whom cheques were paid out and they refused to endorse them because they were for larger amounts than they should have been, do you?—A. Mrs. Maurice Conway refused to sign her cheque and handed all her papers over to her solicitor. I do not know what happened after that.

Q. Who is her solicitor?—A. Mr. Cannon, I think.

Q. Did you take those cheques direct to the people, did you see them personally in some way?—A. I saw some of them personally in some way. I think some of them came to the office, and some of them I saw in their own places. Thomas Neil I certainly saw in his own place.

Q. Was the name "William McBain" erased at the time that you took the cheques to the parties?—A. No, I don't think it was.

Q. It has been erased since?—A. Yes, I think so.

Q. Now, I want to go back to the Adam Aikens cheque. You saw the Adam Aikens cheque for \$450?—A. I won't swear to the amount.

Q. Well, to the best of your judgment?—A. In my judgment I believe it was.

Captain STAPLETON.

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Q. That is what he says, and he says that \$200 was the amount to be given to him for his potatoes. Was that stated by him at the time?—A. No, I do not think it was. I believe there was \$100 of that cheque to go to Colonel McBain.

Q. Did he state at the time that he was to get \$200 for his potatoes?—A. I don't remember him stating that.

Q. What reason did he give for refusing to endorse the cheque?—A. There was a great deal of suspicion. They did not like to see the dual name on the cheque. They were suspicious of that and would not do it unless they had their lawyers' advice on the subject.

Q. You think it was on account of the dual name rather than of the amount?—A. I think it was, sir, I think so.

Q. And do you think this man made any objection whatever to the amount of the cheque?—A. He might have had that objection.

Q. Was there any talk in your presence of the return of \$100 to Colonel McBain?—A. Yes, whatever the amount may have been. We will say it was \$100 for the sake of argument. The idea, as I explained to these men when I asked them to endorse their cheques, was that the cheque being made out in dual signature, they had to endorse and Colonel McBain would endorse it, and they would get their money. They could not get it until the cheque was endorsed by both parties.

Q. That is not the answer. With reference to the Adam Aikens cheque was there anything said about \$100 of this money going to Colonel McBain?—A. Well, I don't know about the \$100. There was a certain amount, I would not like to swear to the amount, which was due to Colonel McBain. It may have been \$100 and it may have been more. I think it was more than \$100.

Q. Have you any record showing what was coming to Colonel McBain?—A. I have not.

Q. In regard to these cheques which were given to you to go to the people, did you not have any record of how much was to be kept out of them?—A. Captain McBain, the superintendent of the camp, had that record, and he has it now.

Q. You did not have them?—A. I had them in my possession, I agree with you, but they are not officially in my possession.

Mr. CARVELL: All right then, I have nothing further to ask.

Witness discharged.

Colonel WILLIAM MCBAIN recalled and further examined.

By Mr. Carvell:

Q. Read the Adam Aikens option?—A. Here is an option signed by Adam Aikens, on the 10th day of September, 1913, for his farm at \$2,600, which I purchased. Damage to the crops, \$400, receipt by Adam Aikens for \$100. That has been in question and now here is the cheque (producing document).

Q. Is that your cheque?—A. My cheque for \$450 was due to him, less \$100 that I advanced on account of the crop damages.

Q. Suppose you read the option?—A. Yes, I will do that. (Reads):—

"Received from Arthur E. McBain the sum of fifty (\$50) dollars on account and in part payment of the price of sale of my property situated at St. Gabriel of Valcartier, being of the cadaster for the parish of St. Gabriel of Valcartier, known as Bury's farm, containing two hundred and twenty-five acres, more or less, and I hereby sell the said property to the said Arthur E. McBain for the total price of twenty-six hundred (\$2,600) dollars, payable on or before fifteenth day of January, 1914, the titles to be subject to approval by the solicitor for the said purchaser.

In the event of the purchaser deciding not to complete the present purchase on or before the said day of January 15, 1914, and giving notice of such inten-

Colonel MCBAIN.

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tion, or in the event of his failing to carry out the said purchase within the said time, the sum of fifty (\$50) dollars paid to the vendor shall remain his property and the present agreement shall be at end, but in the event of the purchaser deciding to carry out the present agreement, and being prepared to pay the balance of price within the time stipulated, the sum now paid shall be included in the price of sale.

Signed at Valcartier this tenth (10th) day of September, 1913.

(Signed) ADAM AIKENS.

Witness:

(Sd) JAMES BARRY."

Q. You say this is dated 10th day of September, 1913?—A. Yes, sir.

Q. This is the option for that land, \$2,600?—A. Yes.

Q. Which expired on the 15th day of January, 1914?—A. Yes.

Q. And he received \$50 —A. Yes.

Q. Which was to be retained as a forfeit if the option was not carried out?—A.

Yes.

Q. And was to go as part of the purchase price if the option was carried out?—

A. Yes.

Q. Was the option carried out on the 15th January?—A. No, it was not.

Q. Then according to this contract Mr. Aikens was entitled to the \$50?—A. Yes.

Q. And the transaction was at an end?—A. Yes.

Q. I notice that this option went to Arthur E. McBain?—A. Yes.

Q. And it seems to have been endorsed to William McBain?—A. Yes.

Q. That is the option was endorsed from Arthur McBain to yourself?—A. Yes.

Q. That is Arthur McBain's signature making the endorsement?—A. Yes, that is his signature.

Q. That is the next transaction?—A. Then the \$50 forfeited. He came into my office about September 10, somewhere along there.

Q. 1914?—A. 1914, and took the matter up.

Q. That was after the plan was filed?—A. After the plan was filed. In the meantime a man by the name of Bury had the property some time ago. I questioned him and found he had sold to Aikens under an agreement of sale. It was made out by Cyril Renaud, so I thought Aikens was in a position to deal with me. I believed it at the time, but I did not search his title. So on September 17 we came to terms with him. I was to pay him in all, not including the \$50, because that was forfeited, \$3,050.

Q. Was this in writing?—A. I will read the receipt (Reads):

Sept. 17, 1914.

Received from Wm. McBain, authorized agent of the Department of Militia and Defence, the sum of one hundred dollars on account of part payment on my farm composed of two hundred and twenty five acres, balance of \$2,950.00 to be paid over as soon as deeds are executed. You are to have immediate possession.

{2,600 for farm.

{450 for crop.

(Signed) ADAM AIKENS.

That is the man who could not read a moment ago.

By Hon. Mr. Reid:

Q. Is that his own signature?—A. His own signature.

Colonel McBAIN.

By Mr. Carvell:

Q. Whose handwriting is that?—A. That is my handwriting.

Q. Bracketed in the corner is "2,600 for farm, 450 for crop."—A. Quite right.

Q. Was that there when Adam Aikens signed the document?—A. It was there when he signed the document.

Q. You contend that he sold his farm and crops for \$3,050?—A. I do.

By Mr. Blain:

Q. Including the potatoes?—A. It included everything, the \$3,050. I have my cheque showing that \$100 is paid.

By Mr. Carvell:

Q. Your own personal cheque?—A. My own personal cheque. He wanted it in advance. I made out a cheque for \$450. It happens to be in our possession, either in my office at Toronto or at Valcartier. The cheque was for \$450 crop damages. Now, the Justice Department has notified us not to pay it over, that the titles are not in shape, and the property to day is not owned by Aikens, as far as I can learn, it is owned by Bury, that there is a cancellation or something.

By the Chairman:

Q. An equitable interest under the agreement?—A. Action has been taken to cancel the agreement for violation of its provisions, the land is really owned now by Bury. There are now four or five claims in the Justice Department that the agent had.

By Mr. Bennett:

Q. Who was the cheque endorsed by?—A. Adam Aikins.

By Mr. Rhodes:

Q. And the cheque for \$450?—A. The cheque for \$450 is here, and has not been paid. The Department of Justice instructed me not to cash the cheque, because the titles are not in shape. I cannot do it and I have returned the cheque to the Department.

By Mr. Carvell:

Q. Let us understand this now. You say the \$450 was for the crop?—A. For the crop, yes.

Q. And \$2,600 for the farm?—A. Yes.

Q. That would make \$3,050?—A. Yes.

Q. And you paid him \$100 down?—A. Yes.

Q. That would leave?—A. \$2,950.

Q. That would leave \$2,500 due on the farm?—A. Oh, well.

Q. That is the way I figure it, and \$450 on the crops?—A. One way or the other. You can put it \$2,600 for the farm and \$350 for the crops. He was to return me \$100 of the first cheque he received.

Mr. RHODES: I thought Mr. Carvell was to take up the question of those cheques.

Mr. CARVELL: Any man who looked at them would know they were not signed by the same person.

The WITNESS: I would like to explain to you. I thought you were going to try and make out I was receiving money under false pretences.

By Mr. Carvell:

Q. The trouble is you did not wait?—A. I left here in October.

By Mr. Blain:

Q. That was what the dispute was about at the time the Committee divided?—A. The cheques, yes.

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By Mr. Carvell:

Q. Take the two we were discussing. We took the \$2,600 and the \$18,000. We will try to find it for you. You will see how foolish it was to have a row over it.

Mr. RHODES: We all agree with you there.

By Mr. Carvell:

Q. It was Hugh McLaughlin's cheque?—A. I think you will find it was the \$18,000 cheque, Henry Crawford's. However, it is immaterial. You know that these cheques were made out around about October 24. I sailed for England around October 21. I was over in England with the troops up till March, around March 1st.

By Hon. Mr. Reid:

Q. Of this year?—A. This year.

By the Chairman:

Q. Were the two options received by you?—A. One option. I left round about the 21st October with the troops; I returned on March 1st, and in the meantime these cheques were issued. As no one had authority to endorse the cheque on my behalf for payment, they were returned to the Department with the request that this cheque be made out to Thomas Holton and endorsed properly.

By Hon. Mr. Reid:

Q. Were the cheques made out in October when you left?—A. I left on October 21st.

By Mr. Carvell:

Q. You are starting now to explain these two cheques that I was talking about?—A. That is how they were issued. These cheques for \$18,000 are endorsed by me.

Q. There is no doubt about that?—A. No doubt whatever.

By Hon. Mr. Reid:

Q. On what date was that endorsed by you?—A. I do not know that there is a date.

Mr. CARVELL: When the Chairman looks it over he will see how foolish it was to have a row over it.

By Mr. Carvell:

Q. Take the next one, I think it is the Crawford or the McLaughlin one?—A. The \$18,000 one, September 10th, 1914.

By Hon. Mr. Reid:

Q. You were here in the country then?—A. Yes. The Hugh McLaughlin cheque was endorsed on November 18th when I was absent. It was endorsed by McLaughlin and by my secretary for deposit only.

By Mr. Carvell:

Q. It is not in your handwriting?—A. No.

Q. Would it take an expert to know that they were not signed by the same person?—A. I do not think so.

By the Chairman:

Q. Who is your secretary?—A. L. H. Coombes.

Q. He signs this in his own handwriting?—A. For deposit only.

Q. Exactly, but it is quite clear that it does not purport to be your signature?—A. No.

Mr. CARVELL: That is what I wanted the witness to say, and the Chairman refused to allow me.

Colonel McBAIN.

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The CHAIRMAN: I refused on principle, because I did not know what was on the cheques.

By Mr. Carvell:

Q. My friend asked you, and you may as well explain, why your name appeared on a lot of those cheques and was afterwards erased?—A. That is very easily explained. When I was down there at Valcartier, quite a number of the farmers there were really in need of money at the time; that is, I would make a deposit. I requested the Department of Militia to see that the cheques were made out in the joint name of the farmer as well as myself, so that I could collect the amount I advanced in many instances. That is the only reason why, when they could not cash the cheque, it would have to be sent to me. I would get their endorsation; then I would have it cashed, or they would have it cashed and would pay me.

Q. I want to go back to the cheque for \$18,000 odd.—A. That was explained yesterday.

Q. I was not here yesterday, and if I am going over ground that has already been covered, tell me. Have you the list of persons from whom you purchased the properties and the land which made up the \$18,000 odd?—A. That is in the return; you will find it in the books.

By Mr. Blain:

Q. Was there at any time any delay on your part in settling the payments of the money?—A. Not at all. Whatever delay there was, was caused by the Justice Department or by the searching of titles. That was the only delay, because in many cases those titles were in very bad shape. It has taken some time, and there is a large number of those cases that I think I could come to terms and could settle in a few days if the titles were in shape.

By Mr. Carvell:

Q. About this \$18,000. Is there a document now in evidence showing the names of the parties and the amounts comprising it from which you purchased this land comprising the \$18,000 odd?—A. I think the whole thing is in the returns, the deeds and the amounts I paid, and everything else.

Q. That is no answer to my question?—A. I read it.

Q. Did you read it here?—A. I think I read it here.

By Hon. Mr. Reid:

Q. Does that amount of \$18,000 include several properties?—A. Oh, yes. The name of each property, the price, the date, and the acreage are all there.

By Mr. Carvell:

Q. I find here a communication from W. Stuart Edwards, dated 26th July, 1914, dated to the Secretary of the Militia Council, in which he recommends payment to you of \$18,625. He says:—

“I am informed that Mr. William McBain holds a title to the whole area, and if your Department feels justified to send him a cheque for the above amount to the joint order of William McBain and G. Renaud, I will see that the conveyance be made to the Crown according to law.”

You say the details are in the return?—A. Yes, and the transfer was made before I received the cheque.

MR. CARVELL: There is a gentleman from Quebec, a solicitor, a very busy man, whose name has been called in question, I think, by the Minister of Militia. He is Mr. Robertson or Robinson. I do not know the gentleman at all; he came to me and asked if he could be allowed to get away this afternoon.

Colonel MCBAIN.

APPENDIX No. 3

The WITNESS: I would like to say in all fairness to Mr. Robertson, that, as he explained to me last night, it is just possible that I misunderstood him; it is just possible although he stated it on two or three occasions. He claims that he said it in a friendly way. I do not wish to throw any reflection on Mr. Robertson.

Mr. BLAIN: Is his complaint against Colonel McBain's evidence?

Mr. CARVELL: Yes.

Witness retired.

Mr. A. ROBERTSON called, sworn and examined.

By Mr. Carvell:

Q. Mr. Robertson, I will take the liberty of asking you a few questions, although I want to be distinctly understood that I did not subpoena Mr. Robertson. He wanted an opportunity to make some explanation. Mr. Robertson, I think we will now hear whatever explanation you have to make regarding your connection with Valcartier lands?—A. I may say I saw a short statement in the paper the other day that I had used some kind of violence towards Colonel McBain.

By the Chairman:

Q. Used what?—A. Violence; shaking my fist in Colonel McBain's face. That statement I saw in the papers, and it said something about the influence I had with Sir Wilfrid Laurier. I absolutely deny both of these statements.

By Mr. Carvell:

Q. Did you have any connection as solicitor with any of the Valcartier lands? Being a solicitor you know how far you are allowed to go without revealing professional secrets.—A. I think in the month of April last, about a year ago, or before that, there were some letters sent to eight or ten people out there, and they brought them in to me and I answered them within a certain time to say they would not accept the amount they had been offered.

By the Chairman:

Q. Letters from the Government?—A. Yes.

Q. To those land owners?—A. Yes.

Q. Making an offer?—A. Yes; I think there were about twelve or fourteen.

By Mr. Carvell:

Q. Did they come to you in the ordinary course of professional business?—A. Yes, I took up their cases for them.

By the Chairman:

Q. What was the object; for the purpose of getting more money than was offered?—A. Yes, they did not think the amount was sufficient.

Q. They were instructing you, and your contention is that you were instructing them?—A. No, I was not instructing them.

By Mr. Blain:

Q. Were they brought in individually, or did they come collectively, in a group?—A. Three or four came at one time, and four or five at another, there might be fourteen in all.

Q. They came in groups?—A. Yes, they came in groups.

By Mr. Carvell:

Q. And you discussed the matter with them?—A. They asked me if I could get their claims settled.

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Q. Are you a solicitor in the province of Quebec?—A. I am.

Q. How long have you been a solicitor in the province of Quebec?—A. Twenty-five years.

Q. And those men came to you in the ordinary course of business?—A. Yes.

Q. Have you succeeded in settling, or bringing any of those cases to a suit?—A. Some of them I understand have been settled, some of the damages of those that came to me and others—although they have not spoken to me—in a good many of them I think there has been an effort to try to settle them in a way. Only some of the damages have been settled, not the land.

By Mr. Blain:

Q. There was some letter read in the House the other day, and some reference to a Mr. Robertson by the Leader of the Opposition. Was it from you?—A. Not from me.

Q. Do you know anything about it?—A. I don't know anything about it, did not even know the letter was sent until I saw it in the papers.

Q. What letter was it?—A. Smith, I think, was the name. Mrs. Smith, I saw in the papers.

Q. Was she a client of yours?—A. I never saw her. It was her husband came to me.

Q. Was the letter sent to the Leader of the Opposition?—A. I never heard of it.

Q. After the client had been to you?—A. Never heard of it, never knew there was such a thing. Whether she sent it herself, I do not know anything about.

By Mr. Carvell:

Q. It was not sent by your instructions?—A. Not at all.

By Hon. Mr. Reid:

Q. The signature would not be yours?—A. If they put "A. Robertson" on it, it would be a forgery.

By Mr. Rhodes:

Q. You had some difference or discussion with Colonel McBain in respect to some lands?—A. Never any discussion with Colonel McBain. I did not see Colonel McBain more than four or five times. When he came I had the most pleasant relations with him.

Q. I think he so stated this morning.—A. He has admitted to me since that there has been a misunderstanding.

Q. As a matter of fact, there was some mention in conversation of Sir Wilfrid Laurier's name?—A. Never with me.

By the Chairman:

Q. Is there another A. Robertson?—A. Not that I know of.

Q. How do you explain some one using that name in the House of Commons?—A. I cannot explain it at all; I knew nothing about it.

By Mr. Blain:

Q. If you got the Hansard you would see that reference was made in the House to somebody purporting to be your name?—A. I did not see the Hansard, but I saw it in one of the newspapers.

By the Chairman:

Q. Were those groups of men that came to you about land formerly clients of yours?—A. No, I knew them.

Q. Were they formerly clients?—A. No.

Mr. A. ROBERTSON.

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Q. Were they brought to you by any specific individual?—A. One or two came. They used to supply us with vegetables and things like that. And I got to know three or four of them. And I met them——

Q. In the ordinary way?—A. I met them in Valcartier in the ordinary way.

By Hon. Mr. Reid:

Q. If Sir Wilfrid Laurier received a letter from Quebec purporting to be from you, then would you say that some one had put one over on him?—A. I would say that somebody had used my name without any warranty.

Q. They must have put one over on him.

By Mr. Blain:

Q. Did you notice any indisposition on the part of the Government to settle these claims?—A. None at all. I had communication with the ex-Postmaster General, some letters I had with him; and I have letters with the present Postmaster General.

Q. You had prompt replies?—A. Prompt replies. And I came up largely here to deny what I had seen. I thought it was my duty to come up and put the matter right, and I came up here. I sent a telegram, and I got a telegram from the Postmaster General to come up and put the matter right.

Q. Did you not find the Government always willing to deal fairly with these farmers?—A. Always.

By the Chairman:

Q. Do you know of any claim out of the lot that is being held up now unreasonably?—A. No, I do not. I would like to explain that I do not think the committee quite understands. There are three ranges, and all the farmers on this third concession came to me, and the second or first concessions I do not know anything about. This third concession is in the village, and the people thought they should perhaps get a little more for being right alongside of the village, and having to give up their homes. As to my inquiry as to whether the land was worth \$30 or \$40, several told me they wanted \$50, six or seven came, and the others said they wanted the same as the others. That is all I know about the value of the land; I know nothing about it.

By Mr. Carvell:

Q. Just one moment. Mr. Blain asked you a question, he has a very apt way of getting evidence in, the substance of it was that the Government had been anxious to settle these claims. Have they settled with all your clients?—A. They haven't settled in regard to the land, in regard to the charge of \$50 per acre. In regard to the damage claims I think there must be three or four damage claims that are settled.

Q. And the other eight or ten claims would not be settled?—A. No.

Q. And none of the claims for the land have been settled?—A. Not that I know of, unless it has been done without my knowledge.

Witness discharged.

Committee adjourned.

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AFTERNOON SITTING.

HOUSE OF COMMONS,

Room No. 211.

THURSDAY, April 8, 1915.

The Committee met at 3 o'clock p.m., Mr. MORPHY presiding.

Mr. ADAM AIKENS recalled and further examined.

By Hon. Mr. Reid:

Q. Did I understand you to swear that you could neither read nor write?—A. Yes, sir. I cannot read, I can sign my own name, that is all.

Q. You can sign your own name?—A. That is all, sign my own name, no more than that.

Q. There were some receipts produced this morning?—A. I can sign my own name, that is all I can do. I cannot read anything.

Q. Were you here this morning when the two receipts were produced with your signature to them?—A. Yes, I was here when they were produced.

Q. Is that your signature attached to them?—A. I have not seen them.

By the Chairman:

Q. You are now shown a receipt to Mr. William McBain for \$100. Is that your signature?—A. (After examining document.) Yes, sir, that is my signature.

Q. And the endorsement on the back of this document? Is that yours?—A. For how much?

Q. \$100.—A. Yes, sir, that is mine.

By Hon. Mr. Reid:

Q. This receipt for \$100 which states that you were to get \$2,600 for the farm and \$450 for the crop, bears your signature?—A. Well, sir, there was no crop mentioned. I sold my farm for \$3,100.

Q. \$3,100.—A. \$3,100, and if you happen to have the book here——

By the Chairman:

Q. With the crop on?—A. He did not mention any crop, just land alone. I sold this land alone for \$3,100.

By Hon. Mr. Reid:

Q. Well, there was \$2,950, and then \$100 added to it would make \$3,050 and \$50 was paid to you. Is that the way you make up the \$3,100?—A. I don't know. The \$50 was on the first option. When the option ran out that was paid.

Q. You claim \$3,100 in addition?—A. In addition to the first option.

Q. That is what you claim?—A. That is what I claim.

By Mr. Carvell:

Q. And in addition to the pay for the crop?—A. That is not paying for the crop. That is——

By Hon. Mr. Reid:

Q. In the \$3,100 you include the crop?—A. I include no crop in the \$3,100.

Q. You expect to get paid for the crop. Have you not got paid for that yet?—A. No, sir, I have not got paid for that. There was no crop damages included in the \$3,100. I can swear to that.

Q. This agreement states that the crop is included.—A. It did not include any crop.

Mr. ADAM AIKENS.

APPENDIX No. 3

Colonel MCBAIN: It did, absolutely.

Mr. CARVELL: Hold on a minute. You have had your say, now let the other fellow have his.

By Mr. Carvell:

Q. I will read you the document. Was this read over to you by Colonel McBain when you signed it?—A. Yes, sir, before I signed it.

Q. Before you signed it?—A. Yes, sir.

Q. I want you to tell me whether this was the way it was read to you on September 17, 1914. (Reads):

“VALCARTIER MILITARY CAMP,
September 17, 1914.

“Received from William McBain, Authorized Agent of the Department of Militia and Defence, the sum of one hundred dollars, on account of part payment on my farm, composed of two hundred and twenty-five acres, balance of \$2,950 to be paid over as soon as deeds are executed—You are to have immediate possession.”

In the left hand corner appear the sentences. (Reads.)

2,600 for farm.

450 for crop.

Was the document read to you in that way?—A. No, sir, it was not read to me in that way at all. It was read to me at \$100 money and \$3,100. It did not mention 400 or any other thing at all on it.

Q. Were you to get \$3,100 besides the hundred?—A. \$3,000 besides the \$100. I can swear to that any way.

Q. Take a look at this, cannot you read?—A. No, sir, I cannot read it.

Q. Can you read writing?—A. No, sir, I cannot read any kind of writing. I can read my own name but that is about all, and write my own name.

Q. You don't know what was on the document?—A. Whatever he read off, whatever he read off the document in the way he read it.

Q. It appears this amount was not \$3,100 but \$3,050 and according to that document it is divided up—\$2,600 for farm and \$450 for crop. Was there any talk of that kind?—A. No, sir.

Q. Now let us get onto the question of crop. Was there talk at any time of the question of crop?—A. No, sir.

Q. At any time after that?—A. No, not after that, no talk about crop at all.

By Hon. Mr. Reid:

Q. Will you say there never has been any talk about crop?—A. No, sir, never any talk about crop.

By Mr. Carvell:

Q. Did they do any damage to the crop?—A. No, sir, I had all my crop in the barn when they came.

Q. Then there was no damage whatever?—A. No damage whatever.

Q. Did you ever make any claim for damages to the crop?—A. No, sir.

Q. Have you ever been paid any damages for crops?—A. No, sir, never paid a cent for damages for crops.

Q. Was there any offer made to you at any other time to purchase any portion of the crop?—A. No, sir.

Q. Was there not something said about potatoes?—A. Oh, yes, he sent along his man to take the potatoes. If I don't make any mistake, Ted Thompson came there on a Friday or Saturday and the woman would not let him take them until I came home from Quebec.

Mr. ADAM AIKENS.

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Q. Had any person, Colonel McBain or anybody representing him or the Government, ever spoken to you about your potatoes before that time?—A. Not that I can remember of.

Q. Your statement is that after you got the \$100 somebody came to dig your potatoes when you were away, and your wife prevented them from doing so?—A. Yes, sir.

Q. What happened next?—A. On the Monday morning I went to go to the office, and I met Colonel McBain on the road and Mr. Craig.

Q. Is he here?—A. He was here this morning.

Q. Who is Mr. Craig?—A. I do not know him at all. I know him to see him, that is all I know of him.

Q. What happened?—A. I stopped him on the road and asked him if they were going to buy my potatoes, and they said yes, and they promised \$200 for the potatoes.

Q. Was this after the soldiers had left?—A. Yes, after the soldiers had left; they had gone pretty near a week.

Q. Do you know how big a piece of potatoes you had?—A. I know how much they dug out of it.

Q. Did they dig the potatoes?—A. They dug them themselves.

Q. Did they hire men to do it?—A. They hired men to dig them.

Q. Were you there?—A. I went over the field just once. I was on the ground when they were digging.

Q. Do you know how many bushels, barrels or bags they dug?—A. I cannot say how many bushels they had, but they had one hundred two-bushel bags; they put them in my barn.

By Hon. Mr. Reid:

Q. Were they full up?—A. Yes, full up I think.

By Mr. Carvell:

Q. That would be 200 bushels?—A. At that rate, yes, sir.

Q. Would a dollar a bushel be a good price for those potatoes?—A. I cannot say for that; I suppose it would.

Q. They dug them, and they had to stand the expense of digging them?—A. Yes.

Q. Would a dollar a bushel be a pretty big price for potatoes in the ground?—A. It would be a big price.

Q. You were well satisfied with \$200?—A. I was well satisfied, sir.

Q. Were you ever offered, and did you ever agree to take \$150 for those potatoes?—A. No, sir, I never did; I agreed to take \$200.

Q. Were you ever offered, or did you ever agree to take any amount for any other crop than those potatoes?—A. No, sir.

Q. How long did this conversation about potatoes take place after you agreed to sell the land?—A. It must have been over a month or a month and a half; maybe longer. I do not know just what date, but I could get the date; I have it at home.

Q. Would not the last of October be pretty late for digging potatoes?—A. Yes, maybe it was a little before.

By Hon. Mr. Reid:

Q. What part of October was it?—A. I am not sure what part. I think the date is at the house; I am pretty sure.

By Mr. Carvell:

Q. The date on which they came and dug your potatoes?—A. Yes, sir.

Q. How long before was it that you made the trade to sell them?—A. The day before. I made the trade on the Monday, and they dug them on the Tuesday or Wednesday.

MR. ADAM AIKENS.

APPENDIX No. 3

Q. How long was it after that that they presented to you the cheque to endorse for \$450?—A. It was winter, a little after Christmas.

Q. At that time was any claim made to you by Capt. McBain or by the other gentleman, or by Capt. Stapleton?—A. There was no claim.

Q. Did they say to you that they were to pay you the \$450 for your crops?—A. They did not say anything about paying \$450 for crops at all.

Q. What reason did they give to you for wanting to pay you \$200, and to keep \$250 for themselves?—A. I do not know; no reason at all.

Q. If you were to receive \$450 for your crops, what reason did they give you for not wanting to pay you the whole \$450?—A. I do not know.

Q. Did they give you any reason for not wanting you to get the \$450?—A. They did not, so far as I could understand it. I might have misunderstood it, but as I understood it they gave me no reason.

Q. No reason?—A. I did not understand them to give a reason.

Q. They simply said, we will give you \$200 and will keep \$250?—A. That is how I understood it; it may be I did not understand it; I ain't no writer or scholar.

Q. Did they offer you the whole \$450?—A. No, sir, they did not; they wanted me to endorse the cheque and give what was coming to him out of the cheque.

Q. What did they say was coming to him?—A. I do not remember just what they said. I believed that there was \$200 for the potatoes coming to me.

Q. Did they agree to give you anything more than \$200?—A. No, they did not agree to give me more than \$200, that I know.

Q. Did they ever offer to give you more than \$200?—A. No.

By Hon. Mr. Reid:

Q. Did you understand that there was something coming to Colonel McBain for what he had already advanced you out of the cheque?—A. No, I did not understand it; that is, so far as my recollection goes, I did not. There might have been a misunderstanding. Of course I cannot read or write; I am no scholar, and it is pretty hard to understand anything when you cannot read or write.

By Mr. Boys:

Q. You knew you had got \$100 from him?—A. Yes.

Q. You knew it was his personal cheque?—A. I did not know who owned the cheque.

Q. You know from what was said that that was advanced from his own money?—A. I understood to a certain extent.

Q. Your recollection is that that is what you understood?—A. In a way.

Q. And you understood it was a fact that there would be money coming to you?—A. I cannot just tell you for certain.

Q. Had you any other crop on your property than potatoes at that season?—A. No, I had it all in the barn.

Q. This receipt was dated September 17; on what day or in what month did you come to an arrangement to dispose of your property?—A. I cannot tell you the certain date.

Q. It was some time before you got the \$100?—A. No, it was the same day I got the \$100, the same day.

Q. The day you made the agreement?—A. The same day as I made the bargain.

By the Chairman:

Q. Was your crop in the barn on September 17?—A. Yes, sir.

By Mr. Boys:

Q. Had you any root crops?—A. Hay and oats, but they were all in the barn.

Q. I said root crops?—A. No.

Witness discharged.

Mr. ADAM AIKENS.

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WILLIAM LYONS called, sworn and examined.

By Mr. Carvell:

Q. What are you?—A. I own a farm and am a baker besides.

Q. Where do you live?—A. In the First Concession.

Q. That would be on the river?—A. About the centre of the camp.

Q. Did you give an option to anybody about your farm?—A. I did, an option to Mr. Duchene.

Q. Who's Duchene?—A. A horse doctor, I think.

Q. For how much?—A. To tell the truth, I don't just remember; I did not pay any attention to the thing. You have got it here, have you not?

Mr. CARVELL: I do not know, I am sure.

Mr. BOYS: I remember seeing it yesterday.

Mr. CARVELL: There is just another question that I want to ask the last witness before proceeding with this.

A. AIKENS recalled and further examined.

By Mr Carvell:

Q. When the option was taken from you in the summer of 1913, who took it? Who negotiated with you and took the option?—A. Arthur McBain and Jim Barry.

Q. I believe there was a supply of whiskey?—A. Yes sir, they brought whiskey the first day they came to me to get me to sell. They spoke to me about buying first, and after they spoke to me they treated me with whiskey; I have proof of it.

By Hon. Mr. Reid:

Q. Are you a prohibitionist?—A. Yes; they gave me whiskey to drink.

Q. Did you take a drink?—A. Did I take a drink? Certainly I took a drink.

Q. Although you are a prohibitionist?—A. I take a drink now and again.

Witness discharged.

WILLIAM LYONS recalled and further examined.

By Mr Carvell:

Q. I do not suppose they offered you any whiskey?—A. No, I don't think it.

Q. What representations were made to you when the option was taken?—A. By Mr. Duchene?

Q. Yes.—A. Mr. Duchene told me it was for a sheep ranch, but that he would leave me my house, and we would all have work. That is the reason why I gave him the land for the same thing as the Government; they were to leave me my house.

Q. You are willing to stand by that trade?—A. Yes, to keep my house and my bakehouse.

Q. You are a baker?—A. Yes, a biscuit baker.

Q. Have you lived in your house up to the present time?—A. I have had a pretty hard time.

Q. What did the hard time consist of?—A. They built two latrines about fifteen feet from my windows, and turned the doors right to my house, and they put up a shower bath at the other end, and when you go outside my door all you have to do is to look and you will see men standing at a shower bath naked.

Q. And you and your family had to stand this indignity during the remainder of the camp?—A. Yes, we did, but the girls put heavy blinds in the windows. That was after a week.

Q. Did you have any question about damages to your crop?—A. Yes, I got paid for my oats, \$235.

Mr. WM. LYONS.

APPENDIX No. 3

Q. Did you get anything for your hay?—A. No, they put their horses in my barn and they used my hay for bedding and feeding, and Colonel McBain, or Captain McBain, sent two valuator, and valued my hay about \$225, and said they would pay, to let them use it, so I done so. I have not got no \$225 though.

By Hon. Mr. Reid:

Q. But they have not refused to pay?—A. Well, I saw Colonel McBain before I came once, and he said he sent my bill to Ottawa, but I did not get it.

Q. But there has not been any dispute as to its being ultimately paid?—A. Oh, no.

By Mr. Boys:

Q. They valued at \$225 for hay?—A. They made that valuation, of it, I had nothing at all to do with it.

By Hon. Mr. Reid:

Q. You accepted it?—A. Yes.

Q. If you get that amount you will be satisfied?—A. Quite satisfied.

By Mr. Carvell:

Q. As far as the hay is concerned?—A. Yes.

Q. Have you made any trade about your land?—A. Yes, I made that one for the other man, I think.

Q. For how much?—A. \$4,000, and the interest on the \$4,000 since the plan was put in. I signed a paper to that effect.

Q. Did you get your money?—A. I did not.

Q. Have you tried to get it?—A. No, I have not tried to get it.

By Hon. Mr. Reid:

Q. You signed a paper. Did anyone else sign a paper too?—A. No. Yes, Mr. Giroux signed it.

Q. As witness, but no one on behalf of the Government.—A. No.

By Mr. Carvell:

Q. Giroux was the man who acted——?—A. Giroux was supposed to be acting for the Government. It was Mr. Giroux made the paper out, and I cut a lot of things out he had on it.

Colonel McBAIN: He offered to sell at that figure. I thought it was too high, and I recommended it be taken to the Exchequer Court. The \$225 is correct. It was sent in; they waited for additional information. I did not get the name of the captain of the remount depot, and we had to get his statement, and that was sent in September 3rd. The cheque will be down inside of a few days.

Hon. Mr. REID: I was wondering why it had not been paid.

Colonel McBAIN: We have been trying to get the evidence.

The WITNESS: I have never worried about it; Mr. McBain promised it, and I took his word.

By Mr. Carvell:

Q. Has anybody come there to value your land?—A. Not to my knowledge. If they valued, they must have valued while I was in bed. I never saw anybody.

Q. Nobody has ever spoken to you about it?—A. Not as to valuation.

By Mr. Boys:

Q. How many acres have you got?—A. 118.

Q. What was your property assessed for last year?—A. To tell you the truth, I never paid any attention to it. They send me the bill and I pay the taxes.

Mr. WM. LYONS.

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Q. What taxes did you pay?—A. I cannot remember. Every year it is a little more.

Q. What did you pay last year?—A. I do not remember.

Q. Have you any other property besides this particular property?—A. No, I have not.

Q. Do you mean to say you have no idea of the taxes you paid last fall?—A. I have no idea at all.

Q. Did you pay \$25?—A. No, I did not.

Q. Did you pay \$20?—A. No, do not think I did, I cannot say.

Q. Is the clerk here with the assessment roll?—A. Mr. Lavallee if he is here, will have it. I will tell you the reason I do not remember.

Q. I would like to hear it?—A. You will hear it. I am inspector over the roads, and when I go over the grounds they pay me for it, that is taken for my taxes. Now, I do not know how much I paid, something like seven or eight dollars.

Q. Is your property assessed for \$1,000?—A. I think so.

Q. We have the roll here.

Mr. LAVALLEE: It is in the region of \$900 or \$1,000.

The WITNESS: Mr. Lavallee, did I ever get a receipt from you?

Mr. LAVALLEE: No.

The WITNESS: That settles it. I pay him and never get a receipt; so how can I remember?

By Hon. Mr. Reid:

Q. Did you receive notice from the Government that they had taken your property and asking you to vacate the premises?—A. Yes, I think I did.

Q. But you have continued to live there since?—A. Certainly.

Q. That is, you did not obey the notice?—A. No, and I don't intend to until they throw me out.

Q. Have you been employed by the Government at Valcartier since?—A. Yes, I done a little job for them, yes.

Q. You have been employed there?—A. Yes.

Q. About how long?—A. I think about four days, four or five days.

Q. You have been attending to your bakery business?—A. Yes.

Q. Did Mr. McBain give you any privilege of a canteen?—A. Yes, he did.

Q. And no charge was made for it?—A. No charge made for it at all.

Q. Did you make any profits on the canteen?—A. I certainly did.

Q. Can you give us any idea how much?—A. No, I cannot.

Q. Was it a hundred dollars?—A. Yes, I guess I made that, perhaps more. I only had the canteen for two weeks.

Q. Did you make \$200?—A. Yes, I suppose I did, perhaps I made three.

Q. In the two weeks. Did you have any other advantages?—A. Well, then I had to stop my own business to do that.

Q. Did you make \$400?—A. No, I did not.

Q. You made \$300?—A. About three, perhaps a little less.

By Mr. Boys:

Q. Did you keep any books in connection with your canteen?—A. (Witness laughs).

By Mr. Carvell:

Q. Why was it not renewed?—A. I only commenced when they were nearly finished.

Q. You were late in the game?—A. Yes.

Mr. WM. LYONS.

APPENDIX No. 3

By Hon. Mr. Reid:

Q. Did you sell any whiskey there?—A. No, sir, I did not.

Q. Are you a prohibitionist yourself?—A. No, I am not. I can take a drink with anybody, and let it alone. Mr. McBain or anybody else never saw any liquor on me.

COLONEL MCBAIN: That is right.

By Mr. Carvell:

Q. Did you see them burning any clothing?—A. Yes.

Q. Give us an idea of how much?—A. I could not tell you. It burned for a day and a night.

Q. A large quantity?—A. It must have been, when they burned that long.

Q. How many piles were they burning?—A. There was one pile and it was burning from four o'clock in the evening until half past seven or eight next morning. For curiosity I went out, and there were old soldier's coats and hats burning.

By Mr. Boys:

Q. Just before they were leaving?—A. About three days after they left.

Q. In other words, they were cleaning up?—A. Well, yes.

By Mr. Kyte:

Q. Was there any lumber?—A. Yes, I saw lumber burning.

Q. What kind was it?—A. Tongued and grooved.

Q. Had it been used?—A. Some used, and some unused.

Q. Was there very much of that used?—A. There must have been a good deal, because they brought this lumber in, and they made tables and desks and benches, and all sorts of things like that, and they just chucked them into the fire and burned them.

Q. Did you see any provisions there?—A. Yes, I saw beans put in the fire too.

Q. In the cans?—A. Turnips, carrots, and everything was emptied into the fire.

Q. Large quantities?—A. Well, they were there piled up.

Q. Large piles?—A. Not very large.

Q. You say there were old clothes. What do you mean? You mean clothes that had been supplied to the soldiers?—A. I mean they were clothes that I think they came in there with, and then they changed. They were red tunics.

By Hon. Mr. Reid:

Q. It was the old clothing that was burned?—A. What I saw was.

Witness discharged.

Mr. HUGH McLAUGHLIN, called sworn and examined.

By Mr. Carvell:

Q. I think we can make your evidence very short, Mr. McLaughlin. Are you one of the sufferers at the Valcartier Camp?—A. Yes, sir.

Q. And the Government have taken your land?—A. Well, they are occupying it anyway, or did occupy it.

Q. Have they paid you for it?—A. No, sir.

Q. Paid you anything at all?—A. Well, I got some crop damages, but nothing on the land.

Q. How much did you get on your crop damages?—A. \$550.

Q. What was that for?—A. For oats alone.

Mr. CARYELL: Have you got the receipt here? Colonel McBain?

COLONEL MCBAIN: I have, the original receipt, (producing).

Mr. H. McLAUGHLIN.

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By Mr. Carvell:

Q. Will you describe what took place the time this receipt was signed?—A. Yes. Hon. Mr. REID: What date is the receipt?

Mr. CARVELL: October 9th, 1914.

By Mr. Carvell:

Q. Tell me now, what took place?—A. They destroyed my oats, and they sent me to Mr. Craig to value it. Him and I agreed on a price of \$550, and of course I thought it a small price at the time but under the circumstances I took it, because he told me it I would not take that we would have to go to court, and it did not suit me to wait to go to court. My land was enough to wait to go to court for without my crop, I could not do without it, so I accepted his price, \$550, and he says: Come over with me now and you will get your money. I understood when I went over I would have my money, so I went over, and he told Colonel McBain he made an agreement with my oats for \$550. So Colonel McBain said: Draw up a paper, and we will send it to Ottawa, and you will have your money. They done that, and I signed the paper, and I was waiting for my money and it was not coming. So I went to see Colonel McBain about it and, well, he say, I cannot get it to you today; but I think I will send a cheque over to you in two or three days. So I waited them two or three days, and it was not coming, and I went to see him again; and I asked him was he not going to settle it? He says, I have no money for you today, and I said: That won't do, I want my money. Well, he says, do you really want it? Yes, I says, I really want it. Oh, well, all right, he says, come down to my office, I think I can fix you up. So I met him at Valcartier station, I went down to his own office, and when they came to settle up with me they found that this paper had disappeared, and there was no paper to show what agreement we had made. He asked the clerk to look and get that paper, but the paper could not be found. So Mr. Craig, the valuator, was in the office and his brother Captain McBain, and he said, "You can go in, make out another paper, and sign it, and I will give you a cheque for your money." So I went into the room and the man drew up the paper, and Mr. Craig gave it to me to read. It was in typewriting. I read the paper, and it read that it was to cover all damages on my property, and when I saw that I objected to the paper. I said, "I only sold my oats, I am not paid for any other damages only oats." "Oh, well," Captain McBain said, "of course I had my potatoes in the garden and I dug them, and it was only for the oats that were destroyed." He said, "You know you have that hay, you are going to dig your own potatoes, so it is only the oats, that is all it is for." I said, "I do not like the way it reads, put it down that it is for oats, that is all I am settling for, and that is what I want you to say." Captain McBain said to his clerk, "Mark it down for oats." And so he wrote in small little piece for oats. So I read that again, and I said, "Gentlemen, I am not a lawyer nor a notary, and I want to state right here, that I do not want to be caught, if I sign this it is for my oats only." Mr. Craig was there and he said to me, "I am the man that values your oats, and if anyone says you got paid for anything else than for oats I am the man to come up and swear that you did not."

Q. And then you signed the document?—A. I signed it on their word.

Q. Now, Mr. McLaughlin, there is a document that I want you to look at?—A. I cannot read it without my glasses. (Document read to witness by Colonel McBain). That is for crops, that is right, it is only for crops, that is all the damages I got.

Q. And you say you wrote in there that the damage was for the oats?—A. That is all the crops that were damaged.

Q. Are there any other damages?—A. There is lots of other damage.

By Hon. Mr. Reid:

Q. Are there more crops damaged?—A. There is no other crop damaged, there was a little damage to my potatoes but I do not bother about it.

Mr. H. McLAUGHLIN.

APPENDIX No. 3

By Mr. Carvell:

Q. Well then, are there other claims?—A. I have had other claims, and they built up a bridge, and there were two or three or four cords for building up the bridge, and I want \$5.50 a cord for it.

Q. Have they paid you for that?—A. No.

Q. Have you tried to get your pay?—A. I asked Colonel McBain about it when getting the damages to the oats and he said, "Let it remain until we pay for the land."

Q. Did he pay you for your land?—A. No.

Q. You said there are other damages?—A. Yes.

Q. What about your land?—A. Well, about the land, I gave my papers to a gentleman here, the notifications that they gave me that they were going to pay me \$5,800 for my land and that if it was not accepted within thirty days it was off. So I notified Colonel McBain formally that I did not accept.

Q. You have not accepted?—A. No.

By Hon. Mr. Reid:

Q. Did you receive \$550 for your crops?—A. I did, and I signed two cheques for it, when he told me this was clear of McBain.

Q. So you have your crop damages settled?—A. Settled.

By Mr. Carvell:

Q. Do you know anything about dead horses?—A. Oh, yes, I have seen dead horses.

Y. How many?—A. I could not give you an estimate, I was not all over the camp ground, to know what horses were there.

Q. Did you see half a dozen dead horses?—A. Oh yes, I did.

Q. How many more did you see?—A. Well, now, I cannot give you an estimate, I have seen fifteen to twenty, anyway, there may be a lot more, but I could not give you a full estimate.

Q. Did you see any horses being shot by the militia men?—A. No, I have seen horses lying dead on the field but I did not see them shoot them; they told me they were shot, but I did not see them firing, they were lying there dead and I have seen the horses on the road all over my farm.

Q. What became of them?—A. They were hauled away, of course, to the glue factory, or the sugar refinery. That is only a joke, they told me the flesh was for the glue factory and the bones were for the white sugar. That is only a conundrum I am not saying it is true.

By Mr. Boys:

Q. You say you have two cheques?—A. The first cheque Col. McBain told me he advanced himself, and he told me in good faith too.

Q. He told you that, as a matter of fact, at your solicitation he advanced that money?—A. Sure.

Q. Then later on the official cheque came and he asked you to sign it?—A. And I signed it too.

Q. Was that cheque payable to you and Mr. McBain too?—A. Payable to my order, not Colonel McBain, I endorsed it and handed it back to his man.

Q. As far as you are concerned, everything is absolutely satisfactory, except whatever dispute there is about your land?—A. Yes.

Q. And the Government offered you \$5,800?—A. Yes.

Q. And you wanted how much?—A. \$50 per acre.

Q. For how many acres?—A. 437½ acres, and pay for the building besides.

By the Chairman:

Q. How much? 437 acres?—A. Yes. Oh, we are not all small farmers down there.

Mr. H. McLAUGHLIN.

5 GEORGE V., A. 1915

By Mr. Boys:

Q. Do I understand you wanted \$21,850 for your land?—A. At the rate of \$50 an acre.

Q. I am taking 437 acres of land.—A. That is all my land.

Q. And how much for your building?—A. I put a value on the buildings, some stonemasons and carpenters valued them at, I think, \$3,075.

Q. Was there anything additional for any other damage besides that?—A. Yes, the damage I was telling you about, I want pay for that.

Q. On the top of these figures you have just given me, you want damages in addition?—A. Only what I say.

Q. How much would that be?—A. There is the timber, I have to get it measured to be sure.

By Hon. Mr. Reid:

Q. What would be the sum of these little damages you refer to? About how much? Lump it altogether?—A. I will put it at \$200 roughly.

By Mr. Boys:

Q. That is near enough, of course it is not binding so that the total amount you are asking is \$25,125, that is lumping the last item at \$200?—A. Yes.

Q. And the offer they made of \$5,800 was for the same acreage of 437 acres?—A. Yes.

Q. And you wanted \$25,125?—A. Yes.

Q. Perhaps you can tell me what your property was assessed for last year?—A. \$950, I think it is.

Q. \$9,500?—A. No, no, \$9,500 about it.

Q. I hope it is more than \$950.—A. \$950.

By Mr. Reid:

Q. That is for the 437 acres?—A. Yes.

By Mr. Boys:

Q. Was your property valued by anybody on behalf of the Government as far as you know?—A. I have never seen a Government valuator on my land.

By Hon. Mr. Reid:

Q. Excepting Colonel McBain.—A. He did not come to value it, I never saw him value it.

Q. Did he discuss the price with you?—A. He did, in his own office.

Q. He discussed it with you?—A. He did.

Q. As to the value?—A. He asked what I wanted and I just told him what I am telling you.

By Mr. Carvell:

Q. Who were the valuers anyway?—A. How could I tell you when I never saw them on my ground?—There was talk about one local man.

Q. Who were the valuers there?—A. There is Joseph Martin.

Q. Who is he?—A. He is an uncle of Captain Arthur McBain's wife, a butcher in Quebec.

Q. And who is the next?—A. The next is Tommy Barrie, a young man living with his mother, a brother of Dr. McBain's wife.

Q. The McBain's seem to figure in it very much. What does he do for a living?—A. He works with his mother on the farm, he is a young man.

Q. He does not know much about it anyway?—A. No, I don't think he has had very much experience in land valuing yet, he never had a chance to, he never bought land.

Mr. H. McLAUGHLIN.

APPENDIX No. 3

Q. Who else now?—A. A man named John Powell.

Q. What relation is he to Colonel McBain?—A. I don't think he is any. He is a close neighbour there of mine. He is related to the Barry family through the wife of Captain Arthur McBain.

Q. Does Captain Arthur McBain live in Valcartier?—A. He was born there, and spent a good part of his time, and worked in the Power House there. He left and went to Montreal a while ago and came back with this Camp business.

By Mr. Boys:

Q. The assessed value of \$900 was fixed by three assessors. I don't know whether you belong to the same township as the Clerk who was called here?—A. Yes.

Q. At any rate, there are three assessors?—A. Three assessors.

Q. Appointed for three years, is that the way?—A. Yes.

Q. You know these men, I suppose?—A. I ought to, for I am one of them myself.

Q. Before entering upon your duties, you and the other two assessors, I suppose, would value the various properties in the township according to value?—A. No, sir, I took no oath.

Q. I am glad for your sake you did not. Were you not required to take any oath?—A. No.

Q. Did you not sign the Assessment Roll?—A. No, I didn't.

Q. Then it has never been signed?—A. Not by me, but by the other two and the Secretary-Treasurer. I dispute it.

Q. I hope the dispute is not over your own assessment of \$900?—A. No, it is not.

Q. It was over something else?—A. It was.

Q. You agreed as one of the three valuers that the assessment upon your 437 acres at \$900, was a fair and reasonable assessment?—A. Yes, according to my neighbours.

Q. According to your neighbours?—A. Yes, it was for tax purposes. It was not on the real value of the land at all. I will give you an instance—

Q. I don't want to stop you.—A. To show you how that valuation runs. There was a property that had been valued for I think it was \$550, and when I came to find I would have to leave my own place and get out of it—when I was notified by Colonel McBain, I said, "It does not do to be on the road, I must look out for some place of my own." I did not know but what I would have to go within 24 hours.

By Hon. Mr. Reid:

Q. Was that after the boom started? After they started the boom in the land?—A. When the soldiers were right in and coming across and I knew I had to get out.

Q. The boom in the price of land had started at that time?—A. Yes. I had to find a place so I had to go to my neighbour that was out of the camp grounds, and I bought a farm from him. It was only valued by the Council at \$550, but I had to pay \$3,000 for it. I mention that as showing the basis of the valuation.

By Mr. Boys:

Q. You had 20 times that much increase. This is only 6 times.—A. Some have made a great deal more than others.

By Hon. Mr. Reid:

Q. How many acres were in this?—A. 75 acres. I paid for it at the rate of about \$40 an acre, and it is about 5 miles from the railroad. It is mountainous and no comparison to my former land. I would not have taken it at all if I had had any choice, but it was the best I could do under the circumstances.

Q. You say that you had heard some of the valuers you named had been looking over the land. You were not present but you heard they were looking over your land.—A. Yes. No man said he saw them on the land but I heard the valuation was made.

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Q. What amount did you hear the valuator had placed on your land?—A. The amount I got in those papers was \$5,800.

Q. And those men you mentioned as valuator?—A. Captain McBain—

Q. Not Captain McBain. You mentioned three or four other men?—A. I mentioned his brother-in-law and his wife's uncle, and Mr. John Powell.

Q. Have they lived in the locality very long?—A. John Powell has been in it his lifetime.

Q. How long have these other two men lived there?—A. Oh, I think it must be 40 years.

Q. Do they know the locality very well?—A. Oh, not very well.

Q. Having lived there all their lifetime, do you say they do not know the locality?—A. You know pretty well as much about valuing land as John Powell, because you could not find some of my land without a guide. I have some very valuable bush land and I don't think any of these men could put a value on that land.

By Mr. Carvell:

Q. You say you have some very valuable bush land?—A. It has been valuable to me all my life, and now is more so. Lumber is getting more valuable all the time and I was within a mile of a railroad branch.

Q. If your property was worth it I would like to see you get the \$25,000.—A. Then I would not be getting too much. If you were to put a bag in my hand with the money, I would say: "Keep the money and I will continue to live on the place."

By Hon. Mr. Reid:

Q. What was the land worth before the Camp was decided on?—A. I don't know. I didn't offer any farm land for sale.

By the Chairman:

Q. Were there not any farm lands sold in the neighbourhood?—A. Not much has been sold round me. I could not put any value on it.

Q. Don't you know of any sales within the last year or two before the camp started?—A. No, I do not know of any. They are all very fond of their land.

Q. Yes, they must be?—A. Yes, they are very fond of it.

By Mr. Carvell:

Q. Is it not a fact, Mr. McLaughlin, that the Valcartier settlement consists of a group of English speaking people?—A. Yes, sir. I think we are the only Irish I know of. It is all English speaking but there are one or two French families there.

Q. But it is practically an English speaking community.—A. Pretty much. There are Irish, English and Scotch.

Q. Did you have your own churches?—A. Yes, we have our own Churches, three Churches, there.

Q. And your own schools?—A. Yes.

Q. And you talk exclusively the English language?—A. Yes, exclusively the English language.

Q. And if these families were driven out would you be able to establish another exclusively English speaking colony in the Province of Quebec?—A. No, I don't think we would ever be so happy again. It is the ruination of that place, that is my opinion.

Q. Therefore you are putting the figure at more than the actual value of the land would be?—A. I am actually putting more value than if I had made up my mind to sell. If I were going to some other place probably I would have to sell cheaper. I had not made up my mind to sell because about four years ago I heard a great talk about the West. I had a notion of going to the West, and my two boys were starting out for the West, to locate there and settle on homesteads. Well, the boys

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have never been away before and I said: "I think I will go out with you myself, I will know more than you." I went out with my boys. I went through the three Provinces, I went through Manitoba, Saskatchewan and Alberta, and I stayed from September till the 4th or 5th of July the next year. I was around pretty much all over, and there was no more West for me after that.

By Mr. Boys:

Q. Is Frank McLaughlin a brother of yours?—A. No sir.

Q. No relation?—A. My wife was a first cousin of his.

Q. How does your land compare in quality with his?—A. Well, there is a part of his land is not good, but there are other parts—

Q. Are they worth about the same, taking the average?—A. If a man has any notion—

Q. I am asking you if they are worth about the same per acre on the average?—A. I would not trade, anyway.

Q. Is there very much difference?—A. A good deal in my estimation.

Q. A difference of \$5 an acre would you think?—A. Oh well, I could not say.

Q. Would you put it any higher than \$5 an acre?—A. I did not value his place and I cannot give you any—

Q. You are a farmer living in the locality. You know his land and you know your own?—A. No. I would have to walk around and ascertain for myself.

Q. Would you say your land was worth \$5 an acre more than his?—A. I won't put a value until I get there.

Witness discharged.

Mr. FRANK McLAUGHLIN called, sworn and examined.

By Mr. Carvell:

Q. Do you live at Valcartier?—A. Yes, sir.

Q. Was your land taken for military purposes?—A. Yes.

Q. Did you live on the front concession?—A. On the first.

Q. How much land have you got?—A. 480.

Q. 480 acres?—A. 480 arpents.

Q. English acres or arpents?—A. Well, it means arpents in the deeds I guess.

Q. Do you mean English acres when you speak of acres?—A. Those deeds came from the Government. I believe they were bought from the Crown Lands Department by my grandfather.

Q. And they are acres, are they?—A. I am not sure whether they are acres or arpents.

COLONEL McBAIN: All arpents.

By Mr. Carvell:

Q. Did you sign any option to anybody?—A. No, none.

Q. Did anybody go to you?—A. Yes, they came—well not exactly to take options—they came to me to buy, I should say in 1912 and 1913.

Q. Who came to you?—A. Arthur McBain and James Barry, but I did not pay any attention to them.

Q. What did they tell you?—A. Artie McBain said he wanted to buy the farm for his brother-in-law, Jimmie Barry, and I asked him why could not James Barry buy the farm for himself.

Q. Jimmie was a boy, was he not?—A. As much a man as the other I guess.

Q. And you did not sell?—A. I would make no sale.

Q. Did they come back to you again?—A. Not since.

Q. Did anybody approach you?—A. Personally?

Q. Yes?—A. No, not personally.

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Q. How much cleared land did you have?—A. We rated it at 290 acres of woods and I think about 170 of cultivated land.

Q. What kind of farming do you carry on?—A. Dairy farming.

Q. How many cows do you keep?—A. That is according to the help I can afford to pay.

Q. What would be a reasonable number?—A. We have kept as high as 13 or 14 cows.

Q. You raise grain besides that and root crops?—A. Yes.

Q. Has the Government taken possession of your land?—A. Yes.

Q. Did they put you off it?—A. I had to leave my home after two months.

Q. Did anybody ask you what you wanted to take for it?—A. I got a notice from Colonel McBain telling me that the Militia Department had taken immediate possession of my property for military purposes and that I would have to leave. I think that came about Thursday, and I was asked to leave the following Tuesday. Well, I did not leave the following Tuesday. Then they served me with another notice in printed form, telling me that I would have to be out in 24 hours. So I left in twenty-four hours and went and rented another house, and stayed in the other house for two months.

Q. What about your crops?—A. I had to leave them there.

Q. All destroyed?—A. All destroyed; my fowl too.

Q. Your fowl gone?—A. And cattle. While I sold four of the cattle, four of the milch cattle and three of the beef cattle, I had to sell them at a reduced price, because to get up to mind them cattle I had to get a permit or a pass as you call it, in the camp, and that was lots of trouble. Along with that, I had to drive I should say from close on three miles.

Q. Did you never receive any payment for any of those damages?—A. Not a cent.

Q. They never offered you anything?—A. Not a cent. I got that offer with Colonel McBain the day he notified me that the Militia Department had taken possession of the property.

Q. What did he offer you?—A. \$5,375.

By the Chairman:

Q. For what?—A. He did not mention.

By Mr. Carvell:

Q. He did not say whether it was all for the land?—A. Supposed to be for the the property, I suppose.

Q. Did he divide it up, so much for the land and so much for the crops?—A. He did not mention.

By Hon. Mr. Reid:

Q. How much did you value your land at? How much are you asking the Government to pay for your property?—A. In fact, I did not put any price myself.

Q. Have you had it valued by any person?—A. In order to save myself, I got the Mayor of the two municipalities, and another disinterested man; I did this to protect myself, because my home is destroyed. They have estimated it at \$22,000.

Q. \$22,000?—A. That is their price; I did not make any price.

Q. Those two neighbours, the two neighbouring mayors, have estimated the value of your land at \$22,000. Does that include the crop?—A. All.

Q. Everything?—A. Everything.

Q. That includes all the crop?—A. Crop, buildings, everything. They put that in as my damage, as my indemnity.

Q. In that \$22,000, how much did they estimate the value of your crop destroyed?—A. Oh well, I cannot tell you that; I left those men to their own sweet will.

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Q. Did they give you any detailed statement showing you how they made up the \$22,000 for the 480 acres?—A. They told me when I called them in to protect me in the court, that they would produce these documents then.

Q. Did you discuss it with them as to how they made up the \$22,000?—A. No.

Q. Did they tell you how much was for the ground alone?—A. No.

Q. The \$22,000 was to include the 480 acres?—A. All the land.

Q. And the value of your crop that was damaged, the loss of cattle, and any damage that you might have suffered in connection with the property?—A. All.

By Mr. Carvell:

Q. Do you know anything about dead horses?—A. I saw lots of them, but I could not tell you anything about the number.

Q. You said lots?—A. When I left my home when I had to rent the next residence, I suppose for about three weeks they passed my door every day, I should say to the best of my opinion.

Q. What passed?—A. Dead horses on trucks going to the glue factory; probably, to the best of my opinion, about four a day for about three weeks; that is, to the best of my opinion. I did not take no record.

By Hon. Mr. Reid:

Q. That would be about eighty-four horses?—A. That is, to the best of my opinion.

By the Chairman:

Q. Counting Sundays?—A. Sundays and Mondays, everything counted.

By Hon. Mr. Reid:

Q. Is your farm as good as Mr. Hugh McLaughlin's? What is your opinion?—A. Every man supposes his is the best.

Q. You are just as satisfied with your own as you would be with his?—A. I know one thing; those men that I got to give me that valuation, I am not satisfied it is enough.

Q. But you think they did what was honest, so far as their opinion was concerned?—A. They were supposed to be on their oath.

Q. You believed they were honest in giving you that estimate?—A. To the best of their opinion.

By Mr. Boys:

Q. Did you ever offer to sell your property to anybody?—A. No, never.

Q. At no time?—A. Not me.

Q. Did anybody on your behalf?—A. I have only had this property I suppose after my father died.

Q. I am not asking you that; my question is, did you ever offer your property to anybody? You said, not me. Then I asked you, to anybody else have you ever offered your property for sale?—A. Not in my time. What I meant to tell you was, that before I took hold of this property my father did happen to offer it for sale.

Q. Was \$5,500 the price?—A. I don't remember.

Q. You have an idea, I guess; that is your recollection of it, is it not?—A. I was too young to remember that.

Q. Do you want to say on your oath that you did not know what the offer was?—A. At that time?

Q. Yes. In other words, do you know it was offered for sale at \$5,500?—A. No, never.

Q. You never heard of it?—A. Never.

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Q. What price was it offered for to Mr. McBain's brother?—A. To his brother; when him and Barry came to me I told them that I would not give my bush land for \$6,000, so they can make whatever they like out of that.

By the Chairman:

Q. How many acres of bush?—A. I think it is something around 270 or 290; I am not sure.

By Mr. Boys:

Q. It is quite evident from your evidence that you know something of an offer on the part of your father to sell this property. I want to know what he was asking for it?—A. That was before I took over the property.

Q. I suppose it was, but what was it that he was asking for it?—A. I cannot tell.

Q. You know nothing about it?—A. No.

Q. You have no idea of what he was asking for it?—A. I can give you no idea.

By Mr. Carvell:

Q. How long ago is it since you got the property?—A. I think it is about thirteen or fourteen years since it came into my possession.

By Mr. Boys:

Q. What crop did you have on this property last year?—A. The present year?

Q. No, you would not have any this year.—A. I mean the crop that was destroyed?

Q. I mean the crop you harvested last August or September.—A. Oats and Hay.

Q. How many bushels of oats?—A. I should say about 700 bushels.

Q. And hay?—A. Hay.

Q. How many tons?—A. We do not raise it by the ton there; We would have about 3,000 bundles.

Q. Cannot you put that into tons for me?—A. I can give you it in the thousand bundles.

By the Chairman:

Q. 3,000 bundles, with about 15 lbs. to the bundle?—A. About that.

By Mr. Boys:

Q. That would not be a first-class crop?—A. No.

Q. What else did you have?—A. Potatoes.

Q. How many bags or bushels?—A. About 200 bushels.

Q. What else?—A. I had some beets and carrots; I would not ask any recompense for what I had of them.

Q. You did not harvest your hay?—A. I harvested my hay and put it in the barn; but they have used more than two-thirds of it for their horses.

Q. What about your potatoes?—A. They are a total loss.

Q. Your oats you harvested?—A. A total loss.

Q. You did not get any of them?—A. Not a cent.

Q. They are all included in this figure?—A. Yes.

Q. What is your property assessed for?—A. \$1,250 or \$1,350.

Q. That value was put upon your property by Mr. Hugh McLaughlin and the other two assessors?—A. I suppose it has remained that way for the last fifteen or twenty years. I don't know who made them; it is only to equalize taxes; it is not the value of the property.

By the Chairman:

Q. You say you got a valuation from the two mayors of the neighbouring municipalities?—A. Yes.

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Q. Who furnished them with the details of your land?—A. They walked my property. I showed them where my property was; I showed them the lines of my property and the lines of the bush.

Q. Did they have a paper with them?—A. They had a paper themselves.

Q. Did you see them putting down figures?—A. I saw them making a statement.

Q. Did you get a copy of the statement?—A. Not yet.

Q. Where did you go after you had gone over the lots with those two mayors?—

A. I went to a lawyer.

Q. With them?—A. Not with them.

Q. I mean about the valuation of the loss. Did you not sit down with these two mayors and find out what it totaled up to?—A. No, I did not sit down.

Q. Did you stand up and do it?—A. Nor stand up either.

Q. And being the owner of the property, and calling off statements to them, they taking down the figures, do you swear you never asked them what it came to?—A. I told these men—

Q. Will you answer my question? Being interested in your own property, having all the details of the loss and giving them to the men, who put it down on paper, do you swear that you did not ask them what it amounted to?—A. Never did.

Q. Why, I think it would be contrary to their oath?—A. I did not like to interfere with them. I told them they could give it to my lawyer, Mr. Cannon.

Q. Was it put down in ink or pencil?—A. I could not say that.

Q. You cannot remember that? They were walking about the fields, did they have a fountain pen?—A. I would not know about that.

Q. Can you name one figure that they put down for loss in hay?—A. In hay? No, but I think I could get it from Mr. Cannon.

Q. You told them at the time, you told them what that loss was?—A. They saw it themselves.

Q. It was in the barn?—A. In the barn.

Q. Can't you say now how many dollars you lost?—A. I consider I lost about two-thirds of the crop.

Q. What about oats, 700 bushels?—A. Yes.

Q. What were they worth?—A. I have bought oats for my horses all winter, I had to pay 75 cents a bushel.

Q. Did you give them that figure, did they agree?—A. We had no agreement.

Q. Did you discuss figures together?—A. Left it to them.

Q. From that day to this you have never seen any statement?—A. They left their statement—

Q. From that day to this you have never seen?—A. Only what Mr. Cannon told me.

Q. What was the amount of value for land in that statement?—A. Mr. Cannon said altogether it would come to something about \$22,000.

Q. What is the amount for land?—A. I do not know.

Q. Where is Mr. Cannon living?—A. On St. Peter St., in Quebec.

Q. A practising solicitor there?—A. Yes.

Q. And you have never had enough interest to look at what the land value put down by these men was?—A. These three men?

Q. Yes?—A. I could not interfere with them.

Q. You swear—you are on your oath—you swear you do not know what they put down for land?—A. I could tell you if I had the documents.

Q. And you never did know?—A. Never did actually know, I may have seen it, but I don't—

Q. May have seen it,—land is the main thing?—A. No, I consider my bush property and timber—

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Q. Bush land is land. Let me ask you a question, about the soil, the cultivatable part. What kind of soil is it, heavy clay or sandy loam?—A. I should say there is about 175 acres of good soil.

Q. On the whole farm?—A. The other is a little sandy, but gives good crops.

Q. With good fertilization?—A. I could not say it is first class, but it gave good oats.

Q. There is 480 acres you say, altogether?—A. Altogether.

Q. Assessed for how much, about \$1,500?—A. \$1,350, I cannot tell you.

Q. For which you want how much?—A. I put no price on mine.

Q. You think you ought to get \$22,000?—A. By the recommendation I got from these three men.

Q. Do you mean to say you do not think that yourself? You think it is worth \$22,000?—A. I should think so.

Q. Counting the loss and everything?—A. Have I the right to ask questions?

Q. Yes?—A. I would like to know the names of those three experienced land valuers that Colonel William McBain sent.

COLONEL MCBAIN: These names will be given at the Exchequer Court.

Mr. CARVELL: Oh, well,—

COLONEL MCBAIN: Well, I will give them now. In addition to the three, I have three others that I sent privately.

The WITNESS: The reason why I ask this, it has been said that we got four valuations, and that we would be recompensed for leaving our old homes. Who had these valuers? They never came to us. We were never told we would be recompensed for leaving our homes.

COLONEL MCBAIN: These men are not supposed to go to any men. They make the valuation and submit it to the Government.

Hon. Mr. REID: I don't think we should give away the Government's case.

COLONEL MCBAIN: We have to protect the Government to a certain extent.

Mr. CARVELL: I admit that is no part of this investigation. But the witness comes here and says: I have been driven off my land.

The CHAIRMAN: There is an action for that purchase.

COLONEL MCBAIN: I have recommended an expropriation some time ago on his property. These men I have never met to my knowledge, only one man.

Mr. CARVELL: It would only be a matter of courtesy to this witness. I think they should know on whose recommendation these offers are made.

COLONEL MCBAIN: One is a man by the name of John Powell. I don't know who he is, any more than the man in the moon.

Mr. TOBIN: Where does he live?

COLONEL MCBAIN: He lives in the district.

By Hon. Mr. Reid:

Q. Do you know him?—A. Yes.

COLONEL MCBAIN: Another is John Martin, he was a farmer.

The WITNESS: He is a butcher in Quebec, between forty or fifty years.

Hon. Mr. REID: You want to know the names.

COLONEL MCBAIN: And Thomas Barry.

The WITNESS: He is about twenty-two years of age.

Witness discharged.

Mr. THOMAS NEIL called, sworn and examined.

By Mr. Carvell:

Q. Was your land taken by the Government for military purposes at Valcartier?
—A. Yes.

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Q. How much?—A. How many acres?

Q. Yes?—A. 115.

Q. Did they make you an offer as to compensation?—A. Yes, sir.

Q. How much?—A. In the paper that we were notified by the Militia Department, was \$2,600.

Q. And did you accept it?—A. No, sir.

Q. Did they include damages to your crops in it, or was that only for the land?

—A. Just for the land.

Q. Did you suffer any damage to your crops?—A. Yes, sir.

Q. Was any settlement made about them with you?—A. Yes.

Q. With whom did you make the settlement?—A. With Colonel McBain.

Q. What was the settlement?—A. \$640.

Q. And did you get your money?—A. Yes.

Q. And there was no trouble about it?—A. No, sir.

Q. And all the claim you have is simply that they have not paid you for the land?

—A. Yes.

Mr. Boys: I suppose he wants more than you are willing to pay?

By the Chairman:

Q. What is the valuation?—A. I had valutors brought onto my land and buildings last fall, and they valued my land and buildings at \$6,317, six valutors.

By Mr. Boys:

Q. What amount?—A. \$6,317 (produces document and hands to Chairman). There were three men on my buildings and three on the property.

By Colonel McBain:

Q. How much did you agree to take before I left last fall?—A. I agreed to take no prices, only the price you offered me, and we were to come on terms. But you never came back to make any terms.

Q. What was the price?—A. \$4,000 you offered me.

Q. And you agreed to take it at that time?—A. No, sir.

Q. Yes?—A. On condition that you give me a privilege for to cut and use what lumber I wanted out of my bush until the first day of May, and you refused to do so.

Q. That is right.

By Mr. Carvell:

Q. How much bush land did you have?—A. To the best of my information between 18 to 20 acres.

My Mr. Kyte:

Q. Did the Department require this land for military purposes?—A. It is level land, you can drive in with a wagon.

By Mr. Carvell:

Q. Was there valuable timber on that land?—A. I don't think so. They gave me \$40 an acre.

Q. You demanded the privilege of removing all the timber and wood?—A. What I wanted to the first of May present.

Q. Would that have been any value to you?—A. Sure it would.

By the Chairman:

Q. For fire wood?—A. Yes, and timber.

By Mr. Carvell:

Q. Would there be any valuable timber?—A. Sure there is.

Witness discharged.

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MICHAEL WOODLOCK called, sworn and examined.

By Mr. Carvell:

Q. Mr. Woodlock, did the Government take your land?—A. Yes.

Q. How much?—A. 210 acres, but there is some lake on the property, possibly 15 acres.

Q. Did they make you an offer for your land?—A. Yes, they made me a written offer.

Q. Of how much?—A. \$2,500, I think it was.

Q. Did you accept it?—A. No, sir, I did not.

Q. What did you want for it?—A. I wanted \$8,670.

Q. Did they include land and damage to crops as well?—A. And the crops and lake damage.

By the Chairman:

Q. Including the crops and lake damage? Did you say it included crops and lake damages?—A. Yes.

By Mr. Carvell:

Q. What do you say about the lake damages, what does that mean?—A. The lake damage is valued by three men which I got at \$1,500.

Q. How do they figure that out?—A. As near as they could, the loss of the trout. In fact, two trout lakes, I own half with my neighbour, Mr. Griffin, and I own another small lake by itself.

Q. Wherein does the value of these lakes consist or of what does it consist?—A. In the trout or fish that is in the lake.

By the Chairman:

Q. Speckled trout?—A. Yes.

By Mr. Carvell:

Q. Do you catch them as a commercial commodity?—A. I just catch them for my own use. I fished there since I was a boy.

Q. Did you let to any other person the right to fish?—A. No, sir, I did not.

Q. But you placed a value upon it?—A. I place a value upon it.

Q. Is there any difficulty about cattle?—A. About cattle with the Government?

Q. Yes?—A. Well, they destroyed all my crops, more than half my oat crop.

Q. And have they paid you for it?—A. No, sir, not a cent.

Q. Have they offered you anything for it?—A. No, sir. One gentleman named Buchanan, he is an agent of Colonel McBain, did inquire about it.

Q. Did they make you any offer?—A. No sir.

Q. What did you claim the damage to be?—A. The damage to the oat crop has been placed at something like \$400 and some odd. I would not be certain of the amount.

Q. What about the hay?—A. My hay I have had in the barn, I saved that.

Q. What about the root crop?—A. My root crop was mostly destroyed.

Q. What damage do you claim has been done upon that?—A. I got about a hundred bushels of potatoes and they were all trampled over, there was \$375 damage to the root crop.

Q. Now what about your cattle?—A. My cattle? I sold all but two at a sacrifice.

Q. How many did you sell?—A. I sold four with the first lot, I sold three and I sold two more, and I kept two.

Q. That is nine you sold?—A. Yes.

Mr. M. WOODLOCK.

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Q. What about sheep?—A. I sold five sheep, and my hogs, I have three of them, I sold the others, I had seven; my horses I have kept so far.

Q. Are you living on the place yet?—A. No, sir, I was ordered off and went and rented a cottage.

Q. Were your fishing privileges taken away at the time the land was taken?—A. Yes.

Q. Were any steps taken by the military authorities to prevent the use of the lake for fishing purposes?—A. Three notices were put up ordering nobody to fish there "By Order of the Minister of Militia and Defence."

Q. Did anybody fish there after that?—A. The officers and some military people fished there, but I never did.

Q. Did you see the officers fishing there?—A. I saw officers fishing there.

Q. After they had put up the notices that no fishing would be allowed?—A. Yes.

Q. Do you know any of the officers who were fishing there?—A. I only know the Minister of Militia and Defence, he himself fished there.

By Mr. Carvell:

Q. Was it on Sunday?—A. Positively I could not say; I was so put about at the time, I could not say.

By Mr. Kyte:

Q. But you were not allowed to fish there yourself?—A. Not according to the notice, and I did not do it.

By Mr. Carvell:

Q. Do you know anything about a herd of cattle that Capt. Arthur McBain is alleged to have taken to Quebec?—A. I heard 28 head went on the Eastern Road.

The CHAIRMAN: That is pretty vague.

By Mr. Carvell:

Q. I asked you, do you know about a herd of cattle?—A. I cannot say.

By Mr. Boys:

Q. Can you separate for me the different items that make up that \$8,670? What was the value put upon your land?—A. I could not very well separate it.

Q. Can't you do it approximately?—A. No. There was one property for \$5,280, my buildings were \$1,684, and my bush land was valued at \$1,800, then the crops made the balance—I do not know if the crops were in that.

Q. That comes to more than the total amount, \$5,280, \$1,684 and \$1,800. —A. I have left out my crops.

Q. Then you must have made a mistake, are you not confused?—A. I have made a mistake, I have confused the figures.

Q. I notice you stated that the total you asked was \$8,670, and the items you have given me total \$9,764, without the crop damages at all?—A. I have been confused.

Q. Leave the crops out, and apart from the crop damages you are asking \$9,764—I have made a mistake, it should be \$8,764.—A. Apart from the crop damage.

Q. Do you know what your property is assessed for?—A. \$550.

Q. How much on your bush and how much on your land?—It includes all.

Q. Will you separate it?—A. My bush land was \$100.

Q. And the balance of \$450 is upon your land?—A. Yes, \$450.

Witness discharged.

Mr. M. WOODLOCK,

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Colonel WILLIAM MCBAIN recalled.

WITNESS: About the cattle just referred to, when we took over certain properties along the Valcartier road inside the camp area, the farmers complained that they had a lot of young cattle and could not look after them. I undertook to buy up the cattle, turned them into the pasture, and resold them—it had nothing to do with the Department at all—at the figure they cost me to a butcher named Dunbrosky in Quebec.

By Mr. Carvell:

Q. Who got the pay from the glue factory?—A. I do not know anything about it. From the glue factory?

Q. Yes?—A. For what?

Q. One witness swore this afternoon that he had heard of twenty horses going there?—A. That is outside my business altogether. I did not have anything to do with it.

Q. Did Dunbrosky do any work for you on the place?—A. I understood that Dunbrosky had something to do with the Government contract, I think he is connected with the Harris Company.

Q. What would be the nature of his contract?—A. I do not know, I have nothing to do with his contract—I had absolutely nothing to do with him at all. I sold these to him after the troops left.

Q. There is not much going on down there that you don't know anything about?—A. I do not hold back anything, everything I know you are going to know, too.

Q. There are just two matters particularly I want to ask you about. There were some questions put to you yesterday about the canteen?—A. Yes.

Q. You were the camp commandant?—A. No, I was in charge of the grounds.

Q. In charge of the camp police?—A. No, not in charge of the police, but in charge of the camp privileges, passes, etc., all had to go through me.

Q. You were the camp commandant, so far as the property rights were concerned, but somebody else was camp commandant as far as military matters were concerned?—A. That is the idea.

Q. Now, whatever capacity you had, you had the right of giving privileges for the canteen?—A. Through my office, yes.

Q. Through your office?—A. Yes.

Q. Of course you have to take the responsibility?—A. I take the responsibility to a certain extent.

Q. Who would be next in control after you?—A. There were two others in my office, I forget the names, one was Archambault and the other a young officer of the 8th Royal Rifles in Quebec, who was a sort of assistant.

Q. Anyway they were clerks in the office?—A. Clerks, yes.

Q. How many canteens were there?—A. I can give you an estimate. I think there were about 110. I have some of them here, but I have not got them all. They are numbered up to 97 here, but there are some others. I can give you another list if you want it.

Q. I suppose some of these canteens would be much more valuable than others?—A. In some respects they would be.

Q. What would be the principal item regulating the value of the canteen?—A. There is no way of regulating them at all; there is no charge made.

Q. That is not the point, what would be the ground that would regulate or govern the value of a canteen to a man who had it?—A. In what respect?

Q. Wouldn't it be on account of location?—A. Yes.

Q. Practically it would depend altogether on the location?—A. Yes, largely.

By the Chairman:

Q. Would not the personality of the man have something to do with it?—A. No, the personality would not enter into it.

Colonel MCBAIN.

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By Mr. Carvell:

Q. No, it would be largely a question of location?—A. It would be principally the location, yes.

Q. Will you give me some of the names of those who had the dry canteens?—A. Well, I will give you the names if you wish it, but I would much rather you take them yourself.

Q. Let me ask you about the Bolduc Company, Limited?—A. Yes, they are in the name of Bolduc, Lockwell and Beaumont.

Q. Do you know Bolduc?—A. No.

Q. Do you know Lockwell?—A. Likely I do.

Q. Do you know him intimately?—A. No, not intimately, but I know him because we had a little trouble. He was there on the ground before the dry canteen came in, it might have been Beaumont, Lockwell and Julius Bolduc.

Q. They had a canteen?—A. Yes.

Q. Do you know a man named M. L. Dohan?—A. I do not seem to have his name, in all probability it is right, because there were very few privileges that were refused in canteens.

Q. Mike Dohan, who keeps a restaurant, the Victoria Hotel, in Lévis?—A. I don't know him, never met him to my knowledge.

Q. Don't you have a man of that name on your list?—A. Yes, he is here.

Q. You find him there?—A. Yes.

Q. And do you find Mr. Giguire?—A. Yes, well he lives on the property.

Q. He had a canteen?—A. Yes, he had the right in his house.

Q. W. J. Fraser?—A. Yes, I think it was under another name, was it not?

Q. I do not know, the information comes to me.—A. There must be another man associated with him, it was likely Fraser and—I haven't it, Mr. Carvell.

Q. Now did you not have a brother-in-law who had a canteen?—A. I had a brother-in-law who was interested in a canteen.

Q. What is his name?—A. John Bowles.

Q. He was interested to some extent?—A. Yes, to some extent, as anybody else would be; it was Nixon who had the canteen.

Q. Did any of these people pay or promise to pay, directly or indirectly, anything whatever for these canteen privileges?—A. I tell you, Mr. Carvell, not one dollar. I want that fact impressed upon the committee, because these rumours are going out, not one dollar, directly or indirectly. I heard it rumoured that I had made money on the canteens. I swear on my oath that never directly or indirectly did I take one dollar for canteens.

Q. Do you know any person in your employ that with your knowledge or sanction ever received anything directly or indirectly?—A. I found, but it is recently that it was brought to my notice, that Archambault had something to do with it, I do not know whether he did or not. All I know is this that he disappeared from my office one morning and from that day to this I have never set eyes on him. That was about three weeks before the troops left Valcartier and I informed Colonel David Watson, his commanding officer, that he had disappeared, and it is just possible that he had because he had something to do with the location of the privileges. I was busy at the time and I would tell him to go down, and to give the man a number and give him the privilege.

MR. CARVELL: I do not want you to give any hearsay evidence?—A. I reported to the commanding officer, I think about three weeks before the troops left Valcartier, reported to Colonel David Watson, in whose command he was, that he had deserted, and he tried to locate him. From that day to this I have not set eyes on him. It is just possible he did. He had something to do with the locating. When I was busy and could not do it I would say: "Go down and give this man a location," but no man had any right—

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Q. I do not want to give you any hearsay evidence.—A. There may be nothing to it at all.

Q. And there may be something.—A. There may be something, but it is only hearsay.

Q. I am cautioning you not to give any hearsay evidence.—A. I don't wish to give any hearsay evidence, but it reached me that way.

Q. Have you heard from any source whatever that any other person connected with your office, other than Archambault, had received money or gratuities on account of these privileges?—A. No, sir, I have not, from that day to this. It has only just reached me indirectly and it was just the other day. Now, allow me to make a statement. Just before leaving the camp I sent this notice out (reads):—

“To the Proprietor,

Canteen number so and so.

Re Canadian Patriotic Fund.

Dear Sir:

You are invited to assist in raising a fund for the benefit of those whose bread winners are going to the front to fight the Empire's battles. There are already many deserving families in need of instant help, and many more will urgently require it as time passes.

Believing that many of the owners of canteens who have been doing business with the soldiers in Valcartier Camp will gladly contribute liberally to the National Fund of which King George is Patron and H.R.H. the Duke of Connaught, President, I desire to offer you this opportunity to help in this good work.

Will you kindly sign and return to me at my office the form below, on or before Saturday next, September 26.

A list of subscribers will be published in the newspapers.

All permits expire with the departure of the First Contingent, and every proprietor who desires to remain for subsequent contingents must personally attend and obtain a new license to trade.

Yours faithfully,

(Sgd.) WILLIAM McBAIN.”

The responses were perfectly voluntary. I never approached one man and never spoke to one man. They signed the contributions of their own free will, and in all I sent to the Hon. Mr. White \$1,803 in one cheque, and I think \$5 that came in later. There are the names (handing in list).

Q. Let me see that notice.—A. There is a notice and that is the way it was sent out, and by the way this man Bolduc, that you spoke of, was kind enough to give \$500. There is the cheque.

Q. He gave \$500?—A. Yes, towards the fund.

By Hon. Mr. Reid:

Q. That made the contributions \$1,800?—A. Yes.

By Mr. Carvell:

Q. When did the troops leave Valcartier?—A. Round about October 6, I think it was.

Q. And this circular letter was sent out on 24th September?—A. Yes.

Q. Did anybody have a canteen privilege renewed who did not contribute?—A. There were no renewals at all.

Q. Well, let me see what this says (reads):—

“All permits expire with the departure of the First Contingent, and every proprietor who desires to remain for subsequent contingents must personally attend and obtain a new license to trade.”

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A. At that time, Mr. Carvell, it was intended to keep a certain number on the grounds for two or three, possibly a couple of months later.

Q. Did all of those who did remain contribute to the fund?—A. No, not all. There were some that did not and remained on.

Q. There were some that were allowed to remain?—A. I mean to say they were all allowed. There were none ordered off; they left of their own free will.

Q. Did all the parties who had canteen privileges have their licenses renewed?—A. There were no licenses renewed.

Q. But you speak in that notice of a new license?—A. It was intended after the troops left and others were coming in—

By the Chairman:

Q. It was to be a continuous camp?—A. A continuous camp. The reason for my doing that was this: The permit that I granted was really a permit to enter the ground with "store" or something marked on it, and did not give us quite the protection desired, and I said that the first opportunity I had I would cancel all permits and would issue a new one that would protect the Government.

Q. And you took this as the opportunity?—A. I took that as the opportunity, and I thought it was a good one, because the boys were leaving the camp and there was another contingent contemplated. We wanted to issue new permits and cancel the old ones. There were no restrictions on these men, and there was no demand made on them in connection with this matter.

Q. A very pressing demand, when you go so far as to say that.—A. Mind you, they made a lot of money. I think it was a good cause. I do not think I would have been going much out of my way if I had gone down there and solicited them. They were trading with the boys, getting their profit from the camp, and I thought it was only right that they should give something towards this fund.

Q. And that was your object in putting the last clause in?—A. That was my object.

By Mr. Kyte:

Q. Do you happen to know anything about the prices that were charged?—A. I do not, but I will tell you what I did: from time to time the prices were reported excessive, so I took the matter up with the Camp Commandant and we decided it would be well to appoint officers who would have absolute charge of the canteens. Colonel Worthington was one from Sherbrooke, and I cannot recall the other name. I thought it was nothing but right we should do this. They had absolute control of the canteens and regulated the prices, posted them up, and any man who paid above that price was paying beyond the value.

By Mr. Carvell:

Q. Did you have anything to do with granting the contracts for the placing or the construction of the barracks?—A. No, sir; I answered that question last evening.

Q. I was not here.—A. I had nothing to do with that, sir. That was under the direction of the Engineers, and Colonel Robert Lowe was the contractor. I was superintending the work to see that it was properly done, but I had nothing to do with the contracts.

Q. You had no pecuniary interest in them?—A. Not at all, and never spent one dollar as far as that is concerned.

Q. Either directly or indirectly?—A. Either directly or indirectly.

Q. And you never received a dollar?—A. Not one dollar.

Q. Do you know what Colonel Lowe was receiving for this?—A. I do not, sir; that did not come under my notice at all.

Q. You did not see the contractor?—A. I never saw the contractor. I was put in charge of the camp grounds to see that the work was properly done and completed.

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Q. Were you the inspector of the targets contract?—A. No, it was an officer from Ottawa.

Q. They did not have to pass your inspection?—A. Not the targets, no.

Q. To put it briefly then, you had nothing whatever to do, directly or indirectly with the contract for the construction of the targets?—A. That is quite right.

Witness retired.

Mr. THOMAS LAVALLEE, recalled and further examined.

By Mr. Boys:

Q. You are the secretary-treasurer of the municipality of Valcartier?—A. Yes.

Q. You have produced the assessment roll for the year 1914?—A. Yes.

Q. I see this oath at the end of the roll (reads):—

“We, the undersigned valuers and secretary-treasurer, swear and solemnly affirm each for himself, that to the best of our knowledge and belief the foregoing valuation roll is correct and based upon the real and annual value of the property, and that nothing has been unduly and fraudulently omitted or inserted—So help us God.

Sworn at St. Gabriel de Valcartier, on the third day of August, 1914.” I see there are three signatures described as those of valuers. Who are they?—A. Two valuers and myself.

Q. What are the names?—A. Patrick Gough, James McCartney, and Thomas Lavallee.

Q. I thought you did not sign the roll?—A. I was the clerk and I had to sign it.

Q. You signed it as a valuer?—A. No, as a secretary-treasurer.

Q. Were there only two valuers, then?—A. There were three, but at the meeting the third man was not present. He was Charles Hicks.

Witness discharged.

Lt.-Colonel HALICK called, sworn and examined.

By Hon. Mr. Reid:

Q. You have heard some of the witnesses here to-day giving evidence with reference to the burning of some clothing at Valcartier, have you?—A. No, Sir, I was not here.

Q. Tell us, then, what happened. I understand you know all about the burning of some clothing. Tell us what kind of clothing was burned.—A. I was senior ordnance officer at Valcartier and I got there about the 21st August. Some time before the middle of September, or the third week in September, there were remarks about troops having burned a lot of stores and a lot of clothing. I made investigations from then on to the end of September, and I could ascertain nothing on the subject beyond the fact that a certain amount of clothing, old clothing which had been in use by men and infected with vermin, had been destroyed.

Q. Was it military clothing?—A. Military uniforms, blue or red, not khaki, and not newly issued. The men had come to camp in them and some individuals were very badly infested with vermin. One battalion, I think commanded by Major Lipsett, 7th Battalion, had a regimental board, to which I detailed Major Sullivan, ordnance officer, and they destroyed clothing, burned a whole lot. They had a perfect right to do it. They were uniforms that were of no use at all, and, as I say, they were badly infected with vermin, very old and very dirty. It was a very sanitary measure to get rid of them.

Q. Was any of the clothing used in the hospital destroyed?—A. I heard of one or two instances of clothing worn by men who had, I think, meningitis. I only heard it. I know nothing about it positively.

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Q. Did you hear of any new clothing being destroyed?—A. I heard that they had destroyed new clothing.

Q. But you could not get any evidence of that?—A. I could get no evidence.

Q. There was no evidence that there had been any new clothing destroyed?—A. I did my best to ascertain. I had a motor car and I went round the camp day after day for a week. I did my best to find out, but could find out nothing on the subject.

Q. Have you got the report of the Board of Officers that made the investigation?—A. Yes, I have a copy. This is a copy (producing document).

Q. Do you know where the original is?—A. I believe the original was sent to the Minister, who sent it to the Premier I fancy. It was in October last.

Q. Where did you get that copy?—A. I made this report.

Q. You made the report yourself.—A. That is to say, I compiled it. There were several of us signed it.

Q. Is your signature to the original?—A. Yes.

Q. And this is a copy of the original?—A. This is a copy of the original report that was rendered and signed. I happened to keep it under my control.

By Mr. Carvell:

Q. To whom was it made?—A. To the Minister of Militia.

Q. Is that a report based on your own personal knowledge?—A. Yes, I signed it.

By Hon. Mr. Reid:

Q. Now, read it, please.—A. I wrote the report and we all signed it.

REPORT OF ALLEGED DESTRUCTION OF GOVERNMENT PROPERTY AT VALCARTIER, 1914.

"The undermentioned officers, who were doing duty in Valcartier Camp in the months of August, September and October, 1914, beg to render the following report on the above subject:—

Lt.-Col. Murphy, Director of Transport and Supplies; Lt.-Col. Hallick, Senior Ordnance Officer; Major H. Ross Matthews, Senior Transport Officer; and Lt.-Col. McBain, Officer in charge of grounds, were doing duty in the positions named, were in close touch with what was occurring daily in the camp.

It was rumoured frequently at the closing of the camp, when troops began to march out, that much clothing, etc., was being destroyed by fire. These rumours came to the notice of the officers herein named, not as a report or in any other formal manner, but none the less were fully investigated at the time. On many occasions the undersigned individually visited the camp grounds, touring through them and thoroughly investigating the reports to obtain evidence which would implicate the offenders, but without success. Traces were found of non-military pattern blankets and other articles which the owners were at full liberty to destroy if they thought proper; it was also known that some articles of obsolete pattern uniform and civilian clothing had to be destroyed because of their verminous and otherwise dirty and worthless condition; and therefore not worth the cost of removal.

The undersigned have reviewed and discussed this question and are of opinion that the rumours have but little foundation and that such basis as there may be is as above reported.

Many civilians were turned out of the camp, being discovered by the undermentioned and other officers in the attempt to remove articles of Government property, and possibly these men resented it and retaliated by persistently spreading the rumours alluded to. At the conclusion of the camp, after the troops had embarked, worthless articles (articles not worth cost of handling) were destroyed as rubbish, and these will be accounted for in the camp ledgers; this too prob-

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ably emphasized in the minds of the rumour carriers their wrong impressions of destroyed stores.

The undersigned were interviewed several times by members of the press on the subject, prior to the closing of the camp, and on every occasion informed these gentlemen that there was no justification for the rumours.

Lt.-Col.

Comd'g Army Service Corps.

Lt.-Col.

Comd'g Ordnance Corps.

Major

Comm'd't Army Service Corps.

OTTAWA, 17-10-14.

By Hon. Mr. Reid:

Q. Signed by whom?—A. Lt.-Col. Murphy, Director of Transport and Supplies; mine, the Senior Ordnance Officer; Major Ross Matthews, Senior Transport Officer; and Lt.-Col. McBain, Officer in charge of the grounds.

By the Chairman:

Q. What date?—A. 17th October.

By Mr. Kyte:

Q. Did you hear of any harness being bestroyed, or horse equipment?—A. I heard many rumours about the 21st, 22nd and 23rd September, but as I say, I went over the camp grounds practically every day, sometimes twice a day, to see if I could get any evidence at all on the subject; because I was anxious to catch the people who were doing this. But I could get no evidence, no trace. I even went to the extent of digging into the piles of ashes and refuse lying about. I had some men with me, and beyond finding a few mess tins, the articles in which the soldiers cook, I could not find any evidence.

Q. The troops did not leave Valcartier on 17th September?—A. Not the 17th; I am speaking about the last week of September, more particularly of from the 24th to perhaps the 30th.

Q. Rumours of burning of horse equipment had reached you?—A. Rumours of the burning of clothing.

Q. But you saw no traces at all?—A. Absolutely none.

By Mr. Carvell:

Q. Were you there with the troops?—A. I was there until October 8; the troops left on the 1st. I was one of the last to leave.

Q. We have had evidence from two or three residents to that effect. One stated, I think, that he saw large piles of clothing being burned, clothing and blankets. One man described, I think, eight or nine piles, and he thought there were hundreds of garments in each pile. Another man says they started in at four o'clock in the afternoon, and worked until seven o'clock the next morning, constantly replenishing the piles. Were you there at that time?—A. Did he give you any idea of the date?

Q. Some time after the soldiers had left?—A. I think some of those people who give evidence like this do not really know the circumstances of the case. Take my own depot; I was in charge of an enormous depot for all the clothing and equipment—blankets, tents, everything that was handled. At the end of the camp I had to turn in all the worn-out articles. We had an enormous amount of rubbish there that was not worth handling. Some farmer came to me personally and wanted me to give them buckles and straps which they thought would be handy. I told them, no; that if there was any saleable the public would get the benefit, but that if I decided it was not sale-

Lt.-Colonel HALLOCK.

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able I would not give it to anybody; I would destroy it all. I did so; so I think this man had a wrong impression.

Q. I am only reciting the evidence we received this afternoon. Have you any personal knowledge of those conditions?—A. Absolutely none.

Q. You were not there at the time?—A. I was there until October 8; I was almost the last man off the grounds. I was on the ground from the 21st August.

By Hon. Mr. Reid;

Q. Until the troops left?—A. Until the camp struck.

By Mr. Carvell:

Q. He says he was there till the 8th October, and the troops left about the 1st. I only wanted to call his attention to what had been said in the evidence?—A. I heard this, but there is nothing to it.

Mr. CARVELL: They swear to it.

Mr. KYTE: One man says he and his father and another offered \$5 apiece for a coat.

WITNESS: I cannot understand it.

Mr. CARVELL: Yes, one man offered \$5.

Mr. KYTE: And two others with him.

WITNESS: Could he locate the lines where it occurred?

Mr. KYTE: In the centre of the camp.

Mr. CARVELL: Let us recall Aikins, I think he was the man.

ADAM AIKENS recalled and further examined.

By Mr. Carvell:

Q. Are you the gentleman who swore that you offered to buy an overcoat?—A. Yes, sir.

Q. What kind of overcoat was it?—A. A common uniform like what he (referring to Lt-Col. Hallick) has on; a common uniform. There were black uniforms, too, on the same principle.

Q. You say they burned them up?—A. Yes; and I offered one soldier who was overseeing the clothes that were burned.

Q. You offered him how much?—A. \$5 for an overcoat, and he would not take it; he said he would burn it first.

Q. Did you see many of these coats being burned?—A. Quite a few.

Q. In what part of the camp?—A. On Mr. Lyon's property; about middleways in Mr. Lyon's property."

Mr. CARVELL: Can you locate it, Colonel Hallick, from that description—"on the camp, as nearly as I can recollect.

Lt-Col. HALICK: I do not know the names of the owners.

WITNESS: You know where the pump-house is?

Lt-Col. HALICK: Yes.

WITNESS: Fornest the pump-house on the main line.

Lt-Col. HALICK: There was a hospital there, was there not?

WITNESS: No, sir; I know where the hospital was.

Lt-Col. HALICK: The pump-house was on the river.

WITNESS: But this was on the main line running through.

Lt-Col. HALICK: In which direction from the pump-house?

WITNESS: Straight up from the pump-house.

Lt-Col. HALICK: You are sure it was not on the hospital lines?

WITNESS: Yes, sir.

Lt-Col. HALICK: Was it in the centre of the camp?

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WITNESS: Pretty near the centre.

Lt.-Col. HALLICK: What date was this?

WITNESS: I cannot tell you the date; I did not make the date.

Lt.-Col. HALLICK: Have you an idea?

WITNESS: About the breaking up of the camp.

Lt.-Col. HALLICK: Of course, I am not disputing his evidence. As I told you, during the last week that these rumours came in, they were so persistent—at first I would not credit them—but they became persistent, and I got disquieted over them. I got a motor car, and sometimes twice in a day I travelled without any one's knowledge through the camp to see if I could catch hold of those fellows. The only things I saw in the piles that were burning were mattresses, which in the position that he talks about, must have been in the Engineers' lines. The mattresses they had brought into the camps, and they were a rough kind of mattress, and some blankets; but they were all their own things which the Engineers had brought with them; I think most of them came from Kingston. I could not interfere with them; that was their own business. I saw no uniforms and no Government stores being burned.

WITNESS: Brass buttons were on the uniforms when they burned them.

By Mr. Kyte:

Q. Your father and you offered \$5 each for a coat, didn't you?—A. Yes, we each offered \$5 for a coat, and they would not give them.

Lt.-Col. HALLICK: It is possible that he struck some one who was burning coats of something else. In an enormous camp like what I am speaking of, they have a mass to burn.

Mr. CARVELL: If this man is responsible, and we must assume he is when he says that three men offered \$5 apiece for overcoats that were being burned up, and that they would not sell them to them——

Lt.-Col. HALLICK: They would be equally wrong in selling as they would be in burning.

Mr. CARVELL: Why should they burn them?

Lt.-Col. HALLICK: They should not burn them unless they had been condemned and were verminous and worn out and of no use.

Mr. CARVELL: I have some knowledge of the lumber business, and I know it is a common thing at the end of every season for the lumbermen to have their camp outfits taken to some laundry and cleaned up. Could not the same thing be done with the military clothing, if it was only a question of vermin?

Lt.-Col. HALLICK: It could be done; but some of the companies in the regiments were in such a very bad condition that they could not stamp it out. I may mention one case; it is really the one case only that came to my knowledge. It was in Major Lipsett's battalion, and they had to have a board to destroy all their clothing.

Mr. CARVELL: Was that on account of vermin or of disease?

Lt.-Col. HALLICK: Partly on account of vermin, and partly because the uniforms were of no further use. They were old uniforms, brought by the men to the camp.

Mr. CARVELL: If the uniforms were of use, that would not be a case for destruction?

Lt.-Col. HALLICK: No, our regulations provide otherwise. But then we have to take into consideration the life of the garments—whether they are worth carrying back to the West, or to wherever they come from, and whether they are worth the cleaning and the handling and the carriage. If they were not worth that they would be destroyed.

The CHAIRMAN: No clothing would be destroyed except by the orders of some superior officer?

Lt.-Col. HALLICK: Certainly not, sir.

Mr. A. AIKENS.

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The CHAIRMAN: If clothing was fit to be destroyed, and was ordered to be destroyed, what would you say to a private soldier who would attempt to sell it?

Lt.-Col. HALLOCK: He would be guilty of disposing of it; it would be punishable.

Witness retired.

Committee adjourned.

EVENING SITTING.

HOUSE OF COMMONS,

ROOM 211,

THURSDAY, April 8, 1915.

The committee met at 8 o'clock p.m., Mr. Morphy presiding.

Mr. W. J. RYAN, called, sworn and examined.

By Hon. Mr. Reid:

Q. We have not any questions to ask. If you have any statement to make please do so.—A. All I know, sir, I was summoned to appear here yesterday.

Q. Who summoned you?—A. In reply to a letter I sent the Chairman.

By the Chairman:

Q. About Mr. Millmann?—A. It is a misstatement made by Mr. Hurdman.

Q. He said that you introduced—A. Mr. G. C. Hurdman thought I introduced to him somebody connected with an auto truck company in the month of November at the Chateau Laurier. I was not in Ottawa during that month at all, sir. And I have not the faintest recollection of the man or his business.

Q. Do you know Mr. Hurdman?—A. Intimately.

Q. Did you ever introduce any agent to him?—A. Not to my knowledge.

Q. Did you know Mr. Millmann, he was said to represent a Chicago firm?—A. It was an auto truck company, I understand.

Q. You wrote a letter to this committee to the effect that you had never introduced Mr. Millmann to G. C. Hurdman?—A. Yes, sir.

By Mr. Rhodes:

Q. Did you know Mr. Millmann?—A. No, sir.

Q. You were not here at the time?—A. I was not in Ottawa at the time.

By Hon. Mr. Reid:

Q. Did you introduce him at Toronto or any other place?—A. I have not the faintest recollection of any acquaintance with him.

Q. Never had any recollection of meeting a man by that name?—A. No, sir. I saw Mr. Hurdman, who explained it to me, and he said he must have got me confused with some other traveller.

Q. You saw him before you wrote us?—A. I wanted to get an explanation. I saw him in the Ontario Legislative Assembly, and asked him if he could enlighten me.

Q. What is your business?—A. I am with the Department of Trade and Commerce, an inspector.

Q. Is there anybody in the Government employ at Ottawa by your name that you know?—A. Yes, there is one in the Customs, but he is never out of the city. There are several Ryans that are agents outside of the Government service.

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By Mr. Carvell:

Q. Is there an official of the Agriculture Department by the name of Ryan?—A. I was originally in the Agriculture, and was transferred to Trade and Commerce.

Q. My recollection is that he referred to Mr. Ryan as an official of the Agriculture Department?—A. He admits it was me he had in mind, but he says he got me confused with some one else.

Hon. Mr. REM: All right, that is all.

Witness discharged.

Mr. H. W. BROWN, recalled.

Q. Have you with you the file of papers relating to the purchase of jams for the Militia Department, we will say since the 1st of August last?—A. Yes.

Q. Will you produce them please?—A. (Files produced by witness.)

Q. Will you, Mr. Brown, tell us what was the first step in the purchase of these jams?—A. I suppose you are speaking particularly of the contract made to supply jams to Valcartier Camp?

Q. I am taking that first, but I want everything relating to the purchase of jams.

Q. That is practically the only contract made, since last August, excepting that there are a number of contracts all over Canada for the supply of jams to the troops mobilized at different points last fall. I have not those papers here, there are a large number of them, but I was under the impression that these papers relating to the Valcartier Camp were all that you wanted. These papers are all mixed up with a lot of other papers and it is pretty hard to find them.

Q. Take your time, there is no hurry.—A. I might begin this way, that early in August, a few days before the 10th of August, it would be between the 4th and 10th, I was instructed to get tenders for food supplies to the camp at Valcartier. One of the articles to be supplied was jam. On the 10th of August I wired several firms—on the 10th and succeeding days to the following firms: To the Dominion Canners, Limited, Hamilton, and to the Dominion Canners, Limited, Aylmer. There were similar telegrams sent to a number of firms.

Q. Give me a sample of the telegram, and first take the Dominion Canners.—A. (Reads):—

August 10.

Dominion Canners, Hamilton, Ont.

Please quote prices pure jams assorted, in packages of fourteen pounds or less delivered at Valcartier Camp Siding near Quebec, for period of camp. Quantity required daily estimated at 2,500 lbs. guaranteed fruit and sugar only without adulterations.

DIRECTOR OF CONTRACTS.

Q. Now give me a list of the people that gave you quotations?—A. This is a memorandum made by me on receipt of the replies, headed, "Jams, etc., Valcartier Camp."

"Tenders were invited from Wagstaffe, Limited, Hamilton, Dominion Canners, Limited, Hamilton, and Aylmer, Ont., T. Upton, Ltd., St. Catharines; A. F. MacLaren & Son, Toronto; E. D. Smith & Son, Ltd., Winona.

The first five mentioned submitted quotations, which are attached hereto. The lowest tender is that of Wagstaffe, Ltd., Hamilton.

May we accept this?

H. W. BROWN,

D. of C.

Mr. H. W. BROWN.

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Q. That is addressed to whom?—A. It wasn't addressed to anybody, but it was a memorandum for the Minister, presented to the Minister, and the tenders are attached.

Q. Now let us have the tenders.—A. The Dominion Cannery, Limited, wired on the 12th of August, per Mitchell and Whitehead to the Militia Department, Ottawa, Ontario, as follows (reads):—

QUEBEC, August 12 1914.

Militia Department, Ottawa, Ontario—

We quote pure fruit jams with apple six cents pound net pure strawberry eleven cents raspberry current nine and half cents gooseberry pear nine cents orange marmalade seven cents fine or wood quality guaranteed."

That is per Mitchell and Whitehead of Quebec, and they confirmed that by letter.

By Hon. Mr. Reid:

Q. Where did you send your wire?—A. To the Dominion Cannery at Hamilton and Aylmer.

Q. And the reply came from Quebec?—A. I see that Mitchell and Whitehead quoted for them, and I think I have a letter from them giving quotations direct. Here is their letter of August 15th (reads):—

"SIR,—I beg to quote the following prices of jams. Pure fruit jams with apple; 6 cents pound net, Pure Strawberry 11 cents pound, Raspberry and Currant 9½ cents pound, Gooseberry and Pear 9 cents pound, Orange Marmalade 7 cents. Quality guaranteed.

That is signed by the Dominion Cannery, Limited, of Hamilton, Ontario, per A. M. Sutherland.

Q. Are those prices the same as were given you from Quebec?—A. Yes, I think so, 6, 11, 9½, 9, and 7. Yes, the same. Here is A. F. MacLaren & Son's tender of August 17 (reads):—

"DEAR SIR,—We acknowledge your favour of the 14th instant, enclosing contract forms which we have duly signed in duplicate and returned herewith

On the 15th inst. we received a telegram from the supply officer in Quebec to ship 7,800 lbs. of jam to Valcartier immediately. We were able to dispatch this order by special C.P.R. freight on Friday evening and same should arrive at Valcartier some time to-day.

Assuring you of our best services to give you prompt deliveries and awaiting your further commands, we remain,

Yours truly,

(Sgd.) A. F. MACLAREN & Son.

K. F. M. "

Q. Just a moment. It seems according to that the goods were shipped before they got the contract?—A. No, that is just the misfortune of not being able to arrange the papers; I have not had time to go over the papers.

Q. You must have them there?—A. If you will give me the time I will get them. I am sorry, but I only got this notice late and this is a tremendous file to go through.

Q. Just take a few moments now, and get the starting point of this.—A. Here is another letter from the Dominion Canneries, Hamilton. It is in effect the same thing. I don't suppose it is worth while reading it.

Q. Take MacLaren now.—A. Here is MacLaren & Son's original tender of August 11 (reads):—

H. W. BROWN,

Director of Contracts,

Militia Department, Ottawa.

DEAR SIR,—We hereby tender to supply you with cheese and jams delivered f.o.b. cars Valcartier, Quebec, as follows: Cheese—

Mr. H. W. BROWN.

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Q. We do not care about that.—A. You are not interested in that (continues reading):—

Jams.—We agree to supply jams as follows: All of which are made from pure fruit and sugar, prices being f.o.b., cars Valcartier, Quebec.

In 5-pound pails, 9 pails to crate.

They were asked to quote 14-pound pails or less.

Q. Yes?—A. Strawberries, he gives two rates, the carload rate and less than carload lots. Strawberry jam per pail, 74 cents.

Q. By the carload or less?—A. Carload.

Q. Yes, 74 cents.—A. Less than carload lots, 74 $\frac{3}{4}$ cents.

Q. That was strawberry?—A. Yes. Raspberry per pail, 69 cents. Less than carload lots, 69 $\frac{3}{4}$ cents.

By Hon. Mr. Reid:

Q. He has just added $\frac{3}{4}$ of a cent to every one of them?—A. Yes. Black raspberry, 67 cents.

By the Chairman:

Q. Black currant, isn't it?—A. No, black raspberry, and 67 $\frac{3}{4}$.

By Mr. Carvell:

Q. Now, give us the next.—A. Black currant, 69 and 69 $\frac{3}{4}$ cents; peach and currant, 60 and 60 $\frac{3}{4}$ cents; raspberry and red currant, 60 and 60 $\frac{3}{4}$ cents; gooseberry jam per pail, 60 and 60 $\frac{3}{4}$ cents; red currant, 60 and 60 $\frac{3}{4}$ cents; green gage, 67 and 67 $\frac{3}{4}$ cents per pail.

Q. That means a plum, does it?—A. Yes.

Q. These are all five-pound pails?—A. That is right. Plum, 55 and 55 $\frac{3}{4}$ cents; raspberry and apple, 55 and 55 $\frac{3}{4}$ cents. Then he gives the prices here in 30-pound pails per pound, but those prices are not material because they were asked to quote prices at 14 pounds or less.

Q. And what quantities did you purchase, as a matter of fact.—A. My instructions were to get these prices for 14-pound pails or less, and I assume that they delivered in those containers, I don't know. That was what we asked them to do and that is what we expected, so I assume that is the way it was delivered.

Q. Then the 30-pound prices would not be of importance?—A. No.

By Hon. Mr. Reid:

Q. The examination would rather tend to the belief that this firm never had tendered, you did not mean that?—A. I did not mean to convey that impression.

By Mr. Carvell:

Q. What is your next?

Hon. Mr. REID: I was told he had marmalade in that.

The WITNESS: Well, possibly marmalade was in that other list. (After making search.) No, it is not here.

Hon. Mr. REID: Orange marmalade is on MacLaren's tender, at least I think so.

The WITNESS: (After making search) No, it is not here. They may have been asked to deliver marmalade. The supply officer may have asked them to supply marmalade, I don't know. All I know is about what they quoted, and what we expected from them.

By Mr. Carvell:

Q. Then I understand you wrote back to them sending them the ordinary tender form, and they sent the tender form back again containing the same prices?—A. Yes,

Mr. H. W. BROWN.

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that was just a duplicate. The reason I wrote them that way was merely to get their signature to our printed form so that they would subscribe to the conditions.

Q. Have you got the printed form there?—A. Yes.

Q. You wrote a letter stating something about their having sent the goods. I don't quite understand that?—A. They sent that form. Their original tender was on the 11th August. They sent that form on the 17th August. They say (reads):—

“On the 15th instant we received a telegram from the supply officer in Quebec, to ship 7,800 pounds of jam to Valcartier immediately.”

In the meantime, between the 11th and 15th their tender had been accepted, the supply officer had been notified and he was in a hurry to get it, so he wired them.

Q. In order to keep your record straight you sent them the regular form and asked them to fill it in and send it forward?—A. Purely as a matter of form.

Q. Now, take the next firm?—A. Wagstaffe, Limited, August 8. We evidently wired Wagstaffe a little earlier than the other two firms, it took two or three days. They quoted the following prices. It is addressed H. W. Brown, Director of Contracts, Militia Department, Ottawa. They quoted the following prices for carload lots shipped in five-pound pails: “Strawberry, 56; raspberry, 50; black currant, 50; apricot, 53; plum, 42; marmalade 42. In 14-pound pails: Strawberry, 11½; raspberry, 9½; black currant, 9½; apricot, 9½; plum, 8; marmalade, 8 cents per pound. Less carload, 2 cents per pail, 14 pounds, ½ per pound.” As I read that it means for less than carload lots they charge 2 cents a pail more.

Q. Those are for 14-pound pails?—A. Yes, 14-pound pails. On more than 14 pounds, ½ cent per pound higher. “All pure goods, our standard quality.” That is Wagstaffe's tender. That was on the 8th. On the same day they wrote (reads):—

H. W. BROWN, Esq.,
Director of Contracts,
Militia Department,
Ottawa, Ont.

HAMILTON, CANADA, August 8, 1914.

DEAR SIR,—We have just wired you as follows: “Quote the following prices for carload lots, five pails, could ship Monday in fives, strawberry 56, raspberry 50, black currant 50, apricot 53, plum 42, marmalade 42 cents each. Fourteen-pound pails, strawberry 11½, raspberry 9½, black currant 9½, apricot 9½, plum 8, marmalade 8 cents per pound. Less carload, 2 cents per pail higher, 14 pounds, ½ cent per pound higher. All pure goods, our standard quality.”

We will be able to deliver carloads within three days at the camp, less than carloads going by local freight, would take seven or eight days to get there.

The 2 cents per pail higher is for the difference in the cost of carload and less than carload lots. These prices are very closely cut, as the quality is the best that can be put up.

Hoping to receive your esteemed orders, we are,

Yours truly,

WAGSTAFFE, LIMITED,
(Sgd.) J. WAGSTAFFE.

On the 8th instant I wired them.

Q. On the 8th of August?—A. On the 8th of August, and that same day, as soon as I got that wire I replied by telegraph as follows (reads):

Messrs. Wagstaffe, Ltd.,
Hamilton, Ont.

OTTAWA, August 8, 1914.

Your telegram to-day: Are your prices for delivery at Valcartier Camp siding or at factory? Also what is net weight your No. 5 tin.

(Sgd.) H. W. B.

Director of Contracts.

Mr. H. W. BROWN.

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On the 9th August they wired as follows (reads):—

H. W. Brown,
Director of Contracts,
Militia Department,
Ottawa, Canada.

Your wire received. Our prices delivered Valcartier Camp fives net weight about four pounds thirteen ounces packed eight to case.

(Sgd.) WAGSTAFFE, Limited.

Q. Now, take the next, there is Upton and E. D. Smith & Sons?—A. This is Upton (reads):

THE UPTON COMPANY, LIMITED.

H. W. Brown,
Director of Contracts,
Militia Department,
Ottawa, Canada.

ST. CATHARINES, ONT., August 10, 1914.

DEAR SIR,—We desire to confirm our telegrams Saturday evening, which reads as follows:—

Following visit of Mr. Lowe we are pleased to undertake contract for any quantity up to five thousand cases pure jam each case containing nine number five tins the proportion of strawberry not to exceed twenty-five per cent of the whole. Our price list left with you from which we quote a discount of twelve and a half per cent freight prepaid to siding at Valcartier. Our understanding is you buy in car lots of six hundred cases each. Mr. Lancaster has wired Deputy Minister this evening regarding our status.

The writer expects to leave for Ottawa this evening and will consequently be pleased to see you to-morrow, Tuesday, in this regard.

Yours respectfully,

(Sgd.) THE T. UPTON CO., Limited.

Q. Now, take off the discount and what does it show?—A. Well, the strawberry jam is 69 cents per pail. This is 5 pound pails. Less one-eighth off it would be about 60½ cents. Red raspberry jam, 61 cents less one-eighth would be 53½ cents about. Black raspberry jam and black currant jam 59 cents. Net 51½ cents. Raspberry and red currant 55 cents; net a little less than 48 cents. Assorted, 52 cents, net 45½ cents. Red currant jam the same, and gooseberry the same, peach jam the same. Green gage, 48 cents net 42 cents. Plum jam 46 cents, net about 40 cents. Orange marmalade 47 cents, net 40 cents. Apple butter, 44 cents, net about 37 or 38 cents.

E. D. Smith & Son—I think I wired them on the 10th. This (referring to file) is August 6. He says:—

“DEAR SIR,—Mr. Armstrong was to see you yesterday in reference to contracting for canned goods or jam, in case you should need any when the troops are gathered together, as I understand they are to be, at Quebec. He tells me that you do not purpose buying anything except the items mentioned on the form of tender. I therefore enclose a tender for the jams, as this is the only thing in the list that we furnish. I am just pasting on this contract a copy of our prices f.o.b. Montreal or Quebec. Off these prices there is a discount of 12½ per cent.

We sincerely trust that these prices will insure us the contract. These jams are absolutely pure. As you know we have the contract to supply the militia at Halifax but at slightly lower prices than these. The prices for the jam which was furnished the troops at Halifax were taken last winter when we were working on last year's crop; now we are working on this year's crops, though there is not very much difference.

Mr. H. W. BROWN.

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We can ship these goods immediately on receipt of wire, at least as quickly as we can get a car, which would generally be within 48 hours at the most. A carload consists of 30,000 lbs.

Yours truly,

E. D. SMITH & SON, LIMITED,

Per E. D. SMITH,
President.

Q. That is delivered where?—A. At Quebec he says. He pastes his price list on the printed form of tender. That is his tender, and he gives a list here, and then he says:—

“Less 12½ trade discount. These prices are f.o.b. Kingston, Toronto, North Bay, Windsor, and all intervening points if in lots of five cases or over, and Montreal, Ottawa, Halifax, and Sydney in car lots; and Quebec”.

He adds that with the pen, so that that was really delivered, I think his goods were delivered at Valcartier, though he calls it Quebec. As to his prices:—

“Strawberry, 68 cents per pail, less 12½ per cent; that would be 60½ cents net; Red Raspberry, Black Raspberry, Black Currant, Blackberry, Cherry, Pineapple Marmalade, at 63 cents, which would be something less than 55 cents net; Peach 50 cents, that is 51½ cents net; Red Raspberry and Red Currant, Red Raspberry and Gooseberry, Pear and Blueberry, 55 cents; that is about 48 cents net; Assorted 52 cents, which is net 45 cents; Gooseberry and Red Currant, 52 cents, which is net 45½ cents; Greengage, 55 cents, which is 48 cents net; Grape, 48 cents, net 42 cents; Orange Marmalade, 47 cents, net 41 cents; Red Plum, 49 cents, net about 43 cents.”

Q. It would take too long to make comparisons of all these, but it would seem to me, after listening to those prices, that the tenders of four out of the five firms, with the exception of A. F. McLaren & Sons, were pretty nearly alike.—A. Pretty close.

Q. It would also seem to me that McLaren's tender is very much higher than the others.—A. It is higher.

Q. Did you make any report on those tenders?—A. The only report I made was in this memorandum, which I read a few moments ago. I will read it again. These were wanted in a great hurry, and we cut the writing as short as we could.

Q. I know; but I find that many of those people were prepared to send them out in carload lots, 30,000 lbs. a car, right off.—A. That is just what we wanted. They said they wanted delivery in twenty-four hours or so; they expected to have the troops in a day or two, and we had to close this thing as fast as we could. This is the memorandum I spoke of:—

“Jams, etc., for Valcartier.”

Tenders were invited from: Wagstaffe, Ltd., Hamilton, Dominion Canners, Ltd., Hamilton and Aylmer, Ont., T. Upton, Ltd., St. Catharines, A. F. MacLaren & Son, Toronto, E. D. Smith & Son, Ltd., Winona.

The first five mentioned submitted quotations, which are attached hereto. The lowest tender is that of Wagstaffe, Ltd., Hamilton.

May we accept this?

(Sgd.) H. W. BROWN,

D. of C.

By Hon. Mr. Reid:

Q. To whom was that memorandum sent?—A. It was not addressed to any one, but I took it down myself to General Hughes. The minute of General Hughes was, “Divide among the five at fair prices,” signed “S.H.”

Mr. H. W. BROWN.

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By Mr. Carvell:

Q. What did you do?—A. I asked General Hughes what was meant by fair prices. I did not know. Well, I could not find out. He wanted to divide among the five. I did not know the lowest price; I could hardly tell what the lowest price was.

Q. You could tell that MacLaren's tender was certainly higher than any of the rest of them?—A. Yes.

Q. Very much higher.—A. Yes.

Q. 22 to 25 per cent higher?—A. It might.

By Hon. Mr. Reid:

Q. Not on every item?—A. Perhaps I should not say that; I say it might, I have not figured it out.

By Mr. Carvell:

Q. Anyway, it was much higher than any other firm?—A. It was higher.

Q. Do you mean to say that you gave McLaren their proportion; and I notice that it was about the same proportion—

Hon. Mr. REID: There were three higher.

Mr. CARVELL: And one lower.

By Mr. Carvell:

Q. Anyway, you gave those contracts at the tender prices?—A. Yes.

Q. Did you do that entirely on your own responsibility, or did you do it because you received instructions from any person higher up?—A. I did it because of the instructions from the Minister.

Q. You construed those instructions to mean that you were to divide up among the five different firms at their tender prices?—A. Yes.

Q. And acting on that instruction you gave the contracts?—A. Yes.

By Hon. Mr. Reid:

Q. At that time were the different contracts—I am not only referring to these but to others—divided among people with the view of getting the goods promptly—in large quantities?—A. That was done sometimes; I think there were some cases of that kind.

Q. And were the contracts divided up with the view of giving work—

Mr. CARVELL: I think that is almost putting the answer into the witness's mouth.

Hon. Mr. REID: If you object to it I will not do it.

Mr. CARVELL: He has stated that he so construed the Minister's minute and he gave the contracts.

Mr. BLAIN: Was there anything as to quality?

Mr. CARVELL: Quality guaranteed.

WITNESS The telegram inviting tenders was identical, and the intention was to get the best quality of jam, that is, pure jam. As I understand it, that is the trade term for the best quality of jam made; that is what I am told.

By Mr. Blain:

Q. My point was in regard to some prices being so much higher; would it be possible that their goods were any better than those of the others?—A. I do not know; at the time I did not know anything about MacLaren & Son's manufacture.

By Mr. Carvell:

Q. I want you to figure out approximately the weight furnished by MacLaren's; the invoices will show. (After inspecting invoices.) I do not seem to find the weights here; but we can easily get at it. There are 160 tins. Would that mean 5-lb. packages, or would that mean cases?—A. I should say that that would mean 5-lb. packages.

Mr. H. W. BROWN.

APPENDIX No. 3

Q. That is the view I take of it?—A. Oh, yes, that is what it is.

Q. Add up the number of tins: I want to get the weight?—A. 3,336 tins, that would be 16,680.

Q. There would be 16,000 lbs. in that. I am only wanting to get it down on the record; we can very soon estimate the remainder. Take the case of Upton's?—A. I have not got the total amount paid each of these.

Q. But you could figure out what it is from the amounts?—A. After calculating). That is 15,750 lbs.

By the Chairman:

Q. What were the odd pounds at MacLaren's?—A. About 680.

By Mr. Carvell:

Q. Will you take next Wagstaff's?—A. (Calculating) 39,400 lbs.

Q. Then I think we can agree upon the weight of the other two, approximately, because E. D. Smith & Sons were about the same price and the total was very nearly the same. We would have E. D. Smith & Sons approximately 40,000 lbs. You see, Mr. Brown, the prices were practically the same, you totalled the amounts practically the same. You have got here, how many carloads?—A. Well. I think it goes something like 25,000 lbs. to the car, I am not sure.

Q. That would be a very small car, would it not?

By the Chairman:

Q. The tender reads 30,000?—A. 30,000, that is right.

An hon. MEMBER: 24,000 pounds is a minimum car.

By Mr. Carvell:

Q. In these days we do not ship 24,000 pound cars. Taking it altogether, if you take 40,000 pounds to the car you would have practically less than 4 cars; if you take 30,000-pound cars you would have about six cars (calculating). At 30,000-pound cars, 152,000 pounds will take five cars?—A. Yes.

Q. You bought nearly five cars altogether. Did you not have tenders from different people to furnish these in carload lots?—A. In carload lots, yes.

Q. Do you think you would have had any difficulty in getting two or three carloads from any one of these tenderers?—A. Well, I do not really know what their capacity is.

Q. Is there anything in the correspondence that would assure you you would have no difficulty?—A. You see, Mr. Carvell, I am rather at a disadvantage answering a question like that, because I do not know anything about the way in which the supply officers requisition these supplies.

Q. No, no, Mr. Brown. I am not asking you that; but from the correspondence did any of these tenderers limit the quantity which they could supply?—A. No.

Q. Then, so far as you know from the correspondence, any one of these tenderers could have supplied the whole quantity?—A. Well, I think—

Q. So far as you know from the correspondence—A. Just a moment, Mr. Carvell. I think I can show you something here about that very thing, some of these say what they can do. I think I saw it a few minutes ago.

Q. We hear so much about this terrible rush, it makes us rather particular to go into it.—A. It is hearsay with me. All I know was I was told there was a tremendous rush. (Looks through correspondence.) MacLaren & Son say: "The prices on jams herein quoted are subject to change at any time but we agree, if given the order during this week, to deliver one or two carloads at the price herein quoted." That is what they say about shipment.

Q. And they could ship a couple of carloads?—A. That week, yes.

Q. That pretty well answers it. What did you get from the others?—A. Wagstaffe says "We will be able to deliver carloads within three days at the camp."

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Q. Carloads?—A. Yes. He is telling how long they will take to get to camp.

Q. He will deliver carloads in three days?—A. Yes.

Q. We won't take up any more time, that is pretty well settled. Did you still think you were compelled to divide these tenders, and give contracts at excessive prices on account of the great rush?—A. I followed my instructions, Mr. Carvell, to the best of my ability.

Q. And you divided them up because you were instructed to do so?—A. Exactly.

Q. Just what I thought.

Hon. Mr. REID: The Minister told him to divide them up at fair prices.

Mr. CARVELL: And he did so. And he interpreted that to divide them up to the different tenderers at their prices.

Mr. RHODES: Don't you say that. We will ask him some questions later on.

By Mr. Carvell:

Q. I notice there is a letter produced here by the Auditor General, dated 22nd March, 1915, written by you. Have you a copy of that letter here?—A. Perhaps I have.

Q. The Auditor wrote you on the 12th of March, calling your attention to the fact that the highest prices in every case were to A. F. MacLaren & Son?—A. Yes.

Q. Who were not manufacturers of this class of goods, but who supplied goods manufactured by Glassco, Ltd., of Hamilton?—A. Yes.

Q. (Reads): "The goods manufactured by the Glassco Co., I am well informed, range in price about equal to the other four firms, who are manufacturers and whose prices are very much below the prices charged by the MacLaren Co."

They ask you to explain this, and you explained it on the 22nd of March. I would like you to read that answer.—A. (Reads):

"March 22, 1915.

SIR,—Your letter of the 12th instant to General Fiset, relating to the contracts for the supply jams to Valcartier Camp, has been passed to me for reply.

In answer to your inquiry, "Why, when the goods of Glassco Limited were being supplied, the order was not given direct to the manufacturers," I beg to say that Glassco Limited did not directly apply for this business, nor were they known in this Department as manufacturers of jams. On the other hand, A. F. MacLaren & Son applied in person (both father and son) for an opportunity to tender; and gave assurance, both verbal and written that they were manufacturers. They applied personally to the Minister of Militia, who sent them to me; they were, moreover, recommended by Sir George Foster, as canners.

By Hon. Mr. Reid:

Q. As canners?—A. Yes (reads):

Tenders for jam were originally received from Wagstaffe Limited and Dominion Canners Limited, both of Hamilton; the T. Upton Company of St. Catharines, E. D. Smith & Son of Winona, and A. F. MacLaren & Son of Toronto. By instructions of the Minister, the contracts were made with each of these five tenderers, at their tender prices.

I have the honour to be, sir

Your obedient servant,

H. W. BROWN.

Director of Contracts.

The Auditor General,
Ottawa.

By the Chairman:

Q. That is your letter?—A. Yes.

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By Mr. Carvell:

Q. What evidence have you in your files there as to the ability of Glassco & Co. to manufacture?—A. Of the ability of Glassco & Co. to manufacture?

Q. Yes.—A. I don't think there is any evidence here beyond that letter of the Auditor General's, and possibly there are later letters from MacLaren & Son, I am not sure. I think there is a later letter written some weeks later on.

Q. I would like to see that.—A. (Witness looks through file.) This is what I had in mind. There are two letters, one of August 28, and the other is the 3rd of September, from A. F. MacLaren & Son to myself. The one the 28th of August reads as follows (reads):

DEAR SIR,—On his return to the city our Mr. A. F. MacLaren advised me that he had the pleasure of an interview with you, and stated that you felt that prices of the pure jams which we were supplying to Valcartier were too high.

We will be pleased at any time to consider matters of this kind with you for readjustment, but wish to point out that we are shipping the finest and purest jams manufactured either in this country or Great Britain. We are in a position to supply you with other so-called pure jams at lower prices but we strongly recommend the Glassco Brand which you are now using as the finest and purest quality on the market. We would appreciate any suggestions which you have to make to us in this matter. We have shipped to date about 15,000 pounds of jam to Valcartier and have made preparations for further shipments of almost unlimited quantities.

We are taking the liberty of forwarding to you under separate cover samples of condensed soups which may be of interest to the department. These soups are made in Canada and are equal to the European-made brands, which up to the present time have been the only condensed soups available in this country. If you feel the department would be interested in considering a line of this kind we would send our representative to Ottawa to take the matter up in more detail.

Yours truly,
(Sgd.) A. F. MACLAREN & SON..

Q. What is the other letter? I take it for granted that was in answer to some protest you had made?—A. That was following an interview which I had with Mr. A. F. MacLaren, who called.

Q. And as a result of some correspondence?—A. No, I think he happened to be in the city and was complaining that they were not getting their share of the business. Then on September 3 they wrote again (reads):—

DEAR SIR,—Your favour of the 2nd inst. received and contents carefully noted. We hope no previous communication of ours would indicate that we thought other Canadian manufacturers of jams were supplying you anything but the pure article, but we do feel that the Glassco Brand is a higher class product than any put up by either of the two mentioned manufacturers in your letter. Such firms as Michie & Company and R. Barron, Limited, of this city are handling the Glassco Brand exclusively. However, we are very anxious to make every effort to continue on the patronage list of the department and we can continue to supply you with an absolutely pure jam at a reduced price which will be equal to any you are now getting.

We have not been favoured with an order from the supply officer at Quebec since August 22, and as we have prepared ourselves to make shipments of between 7,000 and 8,000 pounds, we hope it is not the intention to cut us off entirely. We understand that the other two firms mentioned in your communication have standing orders for weekly shipments.

Yours very truly,

(Sgd.) A. F. MACLAREN & SON.

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Q. Now in one of your letters which you read you referred to the fact that Mr. Armstrong had called upon you with reference to the MacLaren business?—A. Yes, I think it was a letter from one of these other firms at the time the tenders were called, I think it was Uptons.

Q. And that it was not MacLaren?—A. I recollect there was a letter from Mr. Lancaster in reference to one of the Hamilton firms.

Hon. Mr. REM: St. Catharines. The company used to be in Hamilton, and I was very much surprised to see they were now in St. Catharines; they must have moved there within the last two or three years.

A. Here is the heading, "Upton Company, Limited," and the letter heading is "Hamilton, Canada", but it is typed in "St. Catharines." I remember the name of Armstrong somewhere here, but I cannot tell you anything about it at all.

Q. Now you say that you had A. F. MacLaren & Son apply in person, both father and son, for an opportunity to tender, and they gave assurances, both verbal and written, that they were manufacturers. Have you the written assurance there?—A. I am not sure that I have anything, they are in these two lists, and I think perhaps I have, but I read their two letters of the 28th of August and the 3rd of September in connection with the conversations which I had with Mr. MacLaren when he assured me they were manufacturers. You will notice that their letters do not say, "Glassco Company's jam", but they say "Glassco Brand." I had never heard of Glassco manufacturers at that time, and I took this as a reference to their own jams. I asked Kenneth MacLaren when he first came in, if they were manufacturers, and he said, "Yes, our factory is in Oakville." I remember that very well.

Q. Now what recommendation have you from Sir George Foster?—A. I am afraid I have not Sir George Foster's letter here, but it was only a brief letter asking to have the name of A. F. MacLaren & Son, canners, put on the patronage list of the Department, that is all.

Q. Was there something in the letter which, at least, conveyed to you the idea that they were canners?—A. They were described as canners, I can produce the letter.

Q. Have you been buying jams since these lots were delivered? I notice that they were shipped from—well we will take A. F. MacLaren & Son, they were delivered on the 15th of August and the 25th of August, the Dominion Canners on the 19th of August, the 25th of August and the 2nd of September; and the Wagstaffe Limited on the 14th of August, the 24th of August and the 25th of September. The T. Upton Company Limited on the 15th of August and the 29th of August, and the Messrs. E. D. Smith & Sons on the 20th of August, September 11th, and there seems to be a small charge here for freight, it is only \$2, which I do not understand what it means anyway, I am not going to bother about that.

Mr. BLAIN: The witness has sworn that the prices of all these firms, excepting MacLaren & Son were very very nearly the same price?—A. It is very difficult to give them exactly.

Mr. CARVELL: I think he went so far as to say that in many cases it was 20 per cent higher?—A. I think it was you said that.

By Mr. Carvell:

Q. But you agreed with that?—A. I said they might, it is pretty hard to say.

Q. I think, to be really accurate, you said they might be as high as 25 per cent?—A. I could not say.

Q. Have you been buying any jams since that?—A. Not from the manufacturers direct, at least I do not think so.

Mr. RHODES: What are you going into now?

Mr. CARVELL: Jams supplied to the militia.

Mr. RHODES: It is a point whether that is in the blue book.

Mr. CARVELL: We have not only the blue book but some other correspondence submitted to the House down to some time in March.

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By Mr. Kyte:

Q. Where would these jams be supplied for?—A. For the troops that were mobilized in a great many places throughout Canada, probably 25 different places, and in most of these places contracts were made for the food supplies of the troops, and jam is one of the items of food served to the soldiers, and in every one of these cases where contracts were made jam would be one of the items contracted for.

By Mr. Carvell:

Q. Are you buying from the manufacturers now?—A. No.

Q. You are buying from whom?—A. Mostly they are retail or wholesale companies in the locality.

Q. You are not buying any goods from a man named Beasley?—A. I do not know the name at all.

Q. Of Toronto?—A. I am speaking now from recollection. Of course in every one of these twenty-five different places where the tenders were taken they were obtained locally each year and sent here for approval, and the tenders were kept here, but there are so many names in those twenty-five places that when I say I do not know the name of a man named Beasley it may be there is such a contract, but I have no recollection of it.

Q. Have you the papers here regarding those tenders?—A. No, only for the Valcartier camp.

By Mr. Rhodes:

Q. Mr. Brown, you have stated that you submitted a memo. to the Minister upon which he endorsed a note showing his approval, that is right?—A. Yes.

Q. Are those the only instructions you received with respect to prices?—A. Yes.

Q. But the subject of that instruction was that the question of the price was a matter entirely for your own jurisdiction?—A. Well, yes, subject to written instructions and the conversation I had with the Minister at the time.

Q. Would any conversation you had with the Minister at the time vary the instructions of his memorandum?—A. No, not as I understand his instructions.

Q. I will put it another way. You have no instructions to give contracts to any firm or company at specific prices?—A. No.

Q. That being the case, could not you say that the matter of prices was a matter for yourself to determine?—A. Well, I can not.

Q. Subject to their tenders?—A. Well, I was in difficulty at the time and I really was not quite sure about the Minister's instructions at the time he gave them, and I asked him more particularly what he meant. He was in a great hurry at the time, everybody was in a hurry, and I did not succeed in getting anything very specific from him.

Q. I think you have already said that neither your conversation with him nor the memorandum indicated that you were to pay anything but a fair price?—A. Yes.

Q. Now, that being the case, would not the prices be a matter for yourself to determine after negotiation with the contractors?—A. I explained to General Hughes at the time that I could not undertake the responsibility of saying what fair prices were, because there was no time to go into this thing. As I say, I had never heard of MacLarens at that time as manufacturers of jam. They might have been, for all I knew, manufacturing a very superior article of jam.

Q. I have no objection to entering into that subject, but you are going a bit far afield as far as my question is concerned. The point I wanted to get at was this matter of prices. You, with the limitations so far as your knowledge of the commodity was concerned, had to assume the responsibility of fixing prices yourself as purchasing agent for the Department.—A. Well, I did not read it that way, I might have been mistaken.

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Q. You did not read what?—A. The instructions that way.

Q. You told us a moment ago your instructions were to buy the contract at fair prices?—A. Yes, indeed, but I disclaim any possibility of adjusting the prices.

Q. Let me put the question in another way: Would you take your instructions as contained in the minute issued by General Hughes as authorizing you to give out contracts at unfair prices, or for inordinate prices.—A. Well, I don't think that was the intention of the Minister to give out contracts at unfair prices or inordinate prices.

Q. Do you think you would have been following the instructions of the Minister, as contained in that memorandum, if you had given contracts at unfair prices?—A. No. Well, I can't say any more, I am afraid I can't say any more than I have. As I read it there was one of several alternatives. The Minister might have meant to give the contract to the lowest price. Well, that was to me impossible, I could not do that; at least I felt I could not do that. It might have meant what was actually done, accept the prices tendered. It might have meant to make an adjustment myself. Well, I felt I could not, that is to say take upon myself the duty of fixing the prices for these contracts. I would not feel that I could.

Q. Surely the instructions to you are fairly clear; you were instructed to divide the contract among five, and at fair prices. That is a reasonably plain instruction.—A. Well, I didn't—

Q. I think you have already said that you would not regard that as authorizing you to give the contracts at unfair prices.—A. Yes, but I was not in a position at that time to say which were fair and which were not fair. They might, for all I know, have been all unfair, or they might have been all unfair but the lowest.

Q. You are the responsible officer who would have to do with the question of prices?—A. Yes.

Q. There is nobody else, there is no other expert in the Department who would have knowledge of the fairness of prices save yourself, is not that right?—A. Well, I don't pretend to be an expert on the prices of jam, Mr. Rhodes.

Q. Well, that may be true, but you are the responsible head of the purchasing department?—A. Yes.

Q. Of the Militia. Well, then, let me put this question to you: at the time you gave these contracts did you believe you were giving them at fair prices?—A. Well, I made a suggestion there on that memorandum (indicating file) I suggested that the contract be given to Wagstaffe, whose prices were the lowest.

Q. We already have that in evidence. But, having regard to your instructions from the Minister to divide this contract among the five firms or companies, did you believe when you gave out the contracts that you were giving them at fair prices?—A. Really, I didn't—I was not in a position to say, Mr. Rhodes. I could not judge. I was not in a position to judge them all. For all I knew MacLaren's jams might be well worth the money, the price, but under the circumstances there was no time to be lost; we had to get busy at once. I felt that I could only do the one thing. My judgment may have been wrong, I may not have done the right thing, but I did what I thought to be the right thing.

Q. Let me put that question again. You have gone over quite a lot of ground.—A. Yes.

Q. And I think it is a fair question. Always having in mind our instructions from the Minister to divide this contract among the five firms or companies at fair prices, did you believe when you gave the contract out among the five, that you were following your instructions?—A. Well, as I say, I did not know enough about it to form a fair judgment of these prices. I could not really pass judgment on those prices. I explained to the Minister at the time that MacLaren was higher than the others, but I could not say that MacLaren's price was not fair. On the other hand, I could not say that it was not fair; I could not say that about any of them. I really did not have any belief about it one way or the other, Mr. Rhodes.

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Q. You do not mean to say you were going it blind as to the matter of prices? Supposing MacLaren had asked \$10 instead of 60 cents for 5 pound pails?—A. Oh well, that is——

Q. That is carrying it to an extreme, but I think you see what I am after. You are the responsible head of the Purchasing Branch of the Department of Militia. Now, I am asking you, if when you gave these contracts, you thought you were giving them out at fair prices, because, so far as your evidence discloses, you had instructions to divide these contracts among the five Companies at a fair price?—A. Well, I have tried to explain that I was not—that I did not feel I was in a position to judge of the prices.

By the Chairman:

Q. Did you take any steps by letter or otherwise to get the five to vary their prices?—A. No.

Q. Nor any of them?—A. We were asked to get delivery of these jams as fast as possible and I had told these people they would be called upon to ship immediately. I got telephone instructions from Colonel Biggar that he wanted them, if he could get them, within 24 hours, or as quickly as he could.

Q. You must have assumed the prices were fair, and acting upon that assumption, divided the order.—A. Yes.

Q. That would be a matter of your own volition, wouldn't it?—A. I hardly thought—MacLaren's prices looked suspicious to me. I thought he was charging too much.

By Mr. Rhodes:

Q. That is fair enough. Did you try to get a reduction of prices from MacLaren at the time you gave the order?—A. No.

By Hon. Mr. Reid:

Q. Did you try to get a reduction from anyone?—A. No.

Q. Is it not a matter of fact that when the Minister told you to divide the contract at a fair price, you assumed they were fair prices and gave these firms the orders? Isn't that just about the whole story?

Mr. CARVELL: Had you not better tell us the whole story as to what took place between you and the Minister?—A. I have told you pretty well.

By Mr. Carvell:

Q. Had you not better get down off your perch and tell us the whole story?—A. I have told you.

The CHAIRMAN: I think Mr. Brown is giving his evidence in a very intelligent way.

Mr. RHODES: You would not suggest, Mr. Carvell, for a moment, that any question I have put to him is unfair.

Mr. CARVELL: No.

Mr. RHODES: Very well then, Mr. Brown is a highly intelligent witness and it is unfair to suggest that he is withholding anything.

By Mr. Rhodes:

Q. I think you have stated you did not regard MacLaren's prices as unfair prices, but that you had some suspicion that they were rather high. In answer to the last question I put to you you said you did not negotiate with the MacLaren's with a view to having them reduce their prices. Did you have any instructions not to negotiate?—A. No. One very good reason for not negotiating was the hurry of the whole thing. We were in a tremendous hurry.

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By Mr. Carvell:

Q. You have thrown out an intimation that possibly MacLaren's goods were of better quality than the others. Have you any evidence to that effect in the papers (pointing to file)?—A. Nothing except those letters there which I read you.

Q. You did not have those letters until some time after you gave the contract?—A. Oh, no.

Q. I am going back to the time that you gave the contract?—A. I have nothing at all, Mr. Carvell.

By Hon. Mr. Reid:

Q. Read us again the telegrams you sent those people?—A. Oh, I don't think that any telegram was sent to A. F. MacLaren at all; he was given information identical with that already stated (after making search). I beg your pardon, here is the wire that MacLaren sends. No, it is a wire accepting their tender. (Reads):

"Please quote price jams assorted on packages fourteen pounds or less delivered at Valcartier Camp siding near Quebec for period of camp. Quantity required daily estimated at 2,500 pounds guaranteed fruit and sugar only without adulterants.

(Sgd.) H. W. BROWN,
Director of Contracts."

Q. "Please quote prices for pure jams, fruit and sugar only, without adulterants."—A. Yes.

Q. Did you give that information to MacLaren?—A. Yes.

Q. Is there anything in that asking a better article from MacLaren than you asked from the rest of them?—A. No.

Q. Now take the replies?—A. Them all?

Q. One of them will do.—A. Wagstaffe answered:—

"Quote the following prices for carload lots, pails could ship Monday in fives, strawberry 56—"

Q. Never mind the prices; give us the conclusion of it.—A. (Reads):—

"All pure goods, our standard quality."

Q. Now take MacLaren's.—A. (Reads):

"We agree to supply jams as follows, all of which are made from pure fruit and sugar. Prices being f.o.b., cars Valcartier, Quebec." and so on.

Q. Nothing else about quality?—A. No.

Q. Do you see anything in the answers agreeing to furnish a better article than the others?

Hon. Mr. REID: Does not MacLaren's letter state it?

Mr. CARVELL: No, but we will take the letters and see if any of them state that their article is better than that of the others.

Hon. Mr. REID: I thought the letters did state that they were the best jams in the market.

The WITNESS: (Reads):—

"We will be pleased at any time to consider matters of this kind with you for adjustment, but wish to point out that we are shipping the finest and purest jams manufactured either in this country or Great Britain. We are in a position to supply you with other so-called pure jams at lower prices."

Q. Is there anything there which says that they are shipping a better article than the Dominion Canners or E. D. Smith?—A. He says again, on September 3rd:—

"We do feel that the Glassco Brand is a higher class product than any put up by either of the two mentioned manufacturers in your letter."

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Q. Who are the manufacturers mentioned?—A. Wagstaffe and E. D. Smith & Son.

Q. Have you given us all the conversation you had with the Minister about awarding those contracts?—A. Yes, I think so.

Q. Every word?—A. I am speaking now of eight months ago, and I think I have given the conversation correctly.

Q. You admit that the Minister told you to divide them up?—A. His instructions are written.

Q. To divide it up among the five firms?—A. Yes.

Q. At fair prices?—A. Yes.

Q. Did he tell you distinctly that you were to give a portion of this contract to MacLaren's?—A. Yes.

Q. Did he say anything to you about prices, other than using the words, "fair prices"?—A. No; that is my recollection.

Q. Did he not tell you to give those people a proportion of that order at their tender prices?—A. I could not say that.

Q. I think you ought to make a desperate effort to remember to that extent, because, after all, that boils it down into one sentence.—A. I could not say that.

Q. Your memory is not equal to the occasion?

Mr. RHODES: He does not say that at all.

By Mr. Carvell:

Q. I want to press him, not unduly; I want to give him every opportunity. Did the Minister not say that you should give MacLaren a proportion of that contract at their tender prices?—A. Things in those days were done very quickly; I suppose I was talking with General Hughes maybe two minutes.

Witness retired.

Mr. E. S. GLASSCO called, sworn and examined.

By Mr. Carvell:

Q. You are the representative of the firm that has been referred to as Glassco & Co.?—A. I am the manager.

Q. Where is your business?—A. Oakville.

Q. That is near Hamilton?—A. Half way between Toronto and Hamilton.

By Hon. Mr. Reid:

Q. You are manufacturers of what?—A. Jams, jellies marmalades, catsup, grape juice.

Q. How long have you been in business?—A. Three years; this is the third year.

Q. Were you one of the firm of McPherson, Glassco & Co., Hamilton?—A. He is my uncle.

Q. Were you in that firm?—A. No.

By Mr. Carvell:

Q. You say you have been in this business for three years?—A. Yes, sir.

Q. Are you doing a fairly large business?—A. We are doing a very nice business, yes.

Q. Did you apply to the Department of Militia to sell goods when the war broke out?—A. No, sir.

Q. Did you supply any goods that went to the Department of Militia?—A. We did not supply any goods direct.

Q. That went to the Militia Department?—A. We shipped them there.

Q. Did you ship them direct to Valcartier?—A. Yes, sir.

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Q. On whose order?—A. MacLaren & Son.

Q. The invoices which we have here, issued by MacLaren & Co., show the goods that you shipped?—A. I believe these are the ones, but I have copies of them here. (After examining copies of invoices) These are the same.

Q. Have you copies of the invoices which you rendered to MacLaren & Son?—A. These are the ones I compared.

Q. These are the invoices to MacLaren & Son?—A. Copies of them. (Produces copies.)

By the Chairman:

Q. Do you mean that they are from the same impression, made at the same time?—A. No, sir.

By Mr. Carvell:

Q. This (indicating invoice) seems to be the invoice which MacLaren submitted to the Department, and here (indicating another invoice) is the invoice which you say you submitted to MacLaren & Son?—A. It shows the same number of cases.

Q. Just compare them.—A. Twenty cases of strawberry jams, eight fives, that is the same.

Q. And the prices?—A. The prices are two cents different.

Q. That is, your price is two cents a tin lower?—A. 2 cents a tin, yes.

Q. Take the next.—A. 25 cases of red raspberry, nine fives, 69 cents and 67 cents.

Q. And the next.—A. 100 cases, assorted, nine fives, 60 cents and 58 cents; 28 cases of marmalade, nine fives, 55 cents and 52 cents; 13 cases blackcurrant, nine fives, 67 cents and 69 cents; 13 cases of gooseberry, 58 cents and 60 cents. There is one case for catsup on our invoice, that is not on their invoice.

By Hon. Mr. Reid:

Q. In other words, there is just a difference of 2 cents a tin?—A. That is it, sir.

Mr. CARVELL: All the way through. This is the price paid you by MacLaren.

By Hon. Mr. Reid:

Q. The total amount of the invoice of Glassco Ltd. to A. F. MacLaren is \$1,067.99, and the total invoice of MacLaren is \$1,103.18?—A. Yes.

By Mr. Carvell:

Q. That is the price which MacLaren paid you?—A. What do you mean; do you mean net price?

Q. Exactly, what would be the net price?—A. Well, that would be—

By Hon. Mr. Reid:

Q. \$1,067.99 is the invoice from you to A. F. MacLaren and Son. What was the net price of that \$1,067.99?—A. Do you mean you want the total amount?

By Mr. Carvell:

Q. I don't care, you can divide it any way, the total amount will be quite sufficient?—A. They paid us for that \$801.

Hon. Mr. REID: For the invoice of \$1,067.99 they got from the Government \$1,103.18.

Mr. CARVELL: \$802.18, there was that much profit then to MacLaren's.

By Mr. Carvell:

Q. Now, we will take the next invoice?—A. That is August 25th.

Q. Will you compare these please, and you might take the totals.

Mr. E. S. GLASSCO.

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Hon. Mr. REID: The total of your invoice to A. F. MacLaren & Son, dated August 25th, is \$937.35.

Mr. CARVELL: That is the total.

By Hon. Mr. Reid:

Q. Now I am going to ask him if MacLaren's paid him that?—A. How do you mean. Paid how much?

Q. How much did you get for that invoice of \$937.35 from A. F. MacLaren & Son?—A. \$748.

Q. He got \$748 for the invoice of August 25th amounting to \$937.35.

Mr. CARVELL: And the invoice to the Government, MacLaren's invoice to the Government was——

Hon. Mr. REID: \$969.55.

By Mr. Carvell:

Q. Will you please subtract that?

Hon. Mr. REID: \$221.55 profit.

Mr. CARVELL: Add that.

By Hon. Mr. Reid:

Q. The total profit on the two invoices was——A. \$523.73.

By Mr. Carvell:

Q. Let us take now the total amount of your invoices to MacLaren, that is \$801 and \$748. Am I right in that?—A. Yes, sir.

Hon. Mr. REID: Total net cash received.

By Mr. Carvell:

Q. Yes. \$1,549 I make it?—A. That is right.

Q. And MacLaren's total net to the Department was——

Hon. Mr. REID: \$969.55 and \$1,103.18, total \$2,072.73.

By Mr. Carvell:

Q. And you received for the goods \$1,549. I notice, Mr. Glassco, that he made an advancement in that price on that invoice of 2 cents per tin. That seems to be practically——A. You mean our prices were that much lower than MacLaren's invoice to the Government?

Q. Your prices were practically 2 cents per tin lower than MacLaren's prices to the Government. From that, what percentage did you deduct?—A. 20 per cent.

Q. Would that make 23 or 24 per cent. altogether?—A. Possibly.

Q. Of course, it would be an easy matter to figure it out accurately, but it is around there?—A. Somewhere there.

Q. Now, Mr. Glassco, why did you submit the invoice to Mr. MacLaren without showing the 20 per cent. discount?—A. We never do that; we never take a discount off our invoices. There is a regular printed list price, and they are charged that way.

Q. If you were selling to an ordinary wholesaler would you not take something off that list price?—A. Never have done it yet. We never take anything off the invoice. When I say we do not in Ontario, and we did not in the West until recently, and we started to do that at the request of some of them, because our prices were getting an unfair position, they were looked upon as higher prices than Wagstaffes; as a matter of fact they are the same.

Q. I do not just understand that?—A. Supposing we made a shipment to a man here, and those goods are invoiced at the list price, and we did not take any discount

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off the invoice, the storekeeper in this place that the goods come into would put them on the list as costing so much, you understand, where as if we had taken the discount off the goods would appear to him cheaper.

Q. Than your opponents'?—A. Yes.

Q. Is that a custom of the trade?—A. I could not tell you that.

By Hon. Mr. Reid:

Q. That is your custom?—A. That is our custom.

Q. And the way you do your own business?—A. Yes.

By Mr. Carvell:

Q. Did I understand you to say that you sold these goods to MacLaren at 20 per cent less than you would, we will say, to a big firm like Hudon, Hebert & Co., of Montreal?—A. No, they are regular discounts.

Q. You would give the regular discount to the wholesaler?—A. Yes.

Q. I understood you the other way?—A. I do not take off the discount at the time the invoice goes out. When we draw on them, it is deducted from the amount, and shown on the statement.

By Mr. Smyth:

Q. Who paid the freight on this?—A. We paid half and they paid half.

By Mr. Rhodes:

Q. To where?—A. To Valcartier.

By Hon. Mr. Reid:

Q. Do you know how much that freight was?—A. 53 cents a hundred.

Q. What was the total amount?—A. On the first shipment, I can tell you exactly.

By Mr. Carvell:

Q. We want exact figures?—A. The freight was \$53 on the first shipment, I think that was it.

By Hon. Mr. Reid:

Q. That is the total amount. Then, the second, about what would it be?—A. It would be about \$40.

Q. About \$93, practically about \$50 would come off their profit, they paid half?—A. On the first shipment we divided the freight, on the next shipment we did not pay the freight at all.

Mr. CARVELL: It would be the half of \$53, \$26.

By Hon. Mr. Reid:

Q. The second time?—A. We have nothing to do with the freight.

Q. MacLaren paid the freight on that.

By Mr. Carvell:

Q. MacLaren then paid somewhere around \$70 in freight?—A. Somewhere around \$40. We paid about \$62.50.

Mr. CARVELL: \$62.50 from \$523 would be about \$461 net.

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By Hon. Mr. Reid:

Q. You give the same discounts to other agents?—A. No, we do not.

By Mr. Kyte:

Q. Are MacLaren & Son manufacturers of this class of goods?—A. I don't think so.

By Mr. Carvell:

Q. Now, Mr. Glassco, I suppose there is no doubt but that these were the best quality of goods?—A. I think the best in this country.

Q. We will pardon any manufacturer for thinking that?—A. I would not mind proving it a bit. I cannot do it to-night, I will do it in the morning.

Q. Well, so far as I am concerned, I am assuming that these were all first-class goods. I don't think there is any doubt about it?—A. If they got them they are good goods.

Q. Take the Dominion Cannery, Uptons?—A. Upton's jams are not supposed to be strictly high grade jam; as far as I have known, they do not get the high class trade.

Q. It is not my ambition to run down any man's goods, but I don't mind hearing your opinion?—A. I am not in the position to answer that; it does not look good to me to do it; I don't want to know any man's goods. If you go into a grocery store, and they bring you some of each of these lines, you can see for yourselves.

Q. Let us take raspberries. I find here—I do not know which of these firms it was—that the lowest of the offers for raspberries was 47½ cents.

Hon. Mr. REID: Whose was it?

Mr. RHODES: Dominion Cannery.

By Mr. Carvell:

Q. We will take that 47½ cents. You invoiced these at?—A. 65 cents.

Q. 67 cents was it?—A. 65 cents, our invoice.

Mr. KYTE: MacLaren 2 cents more.

By Mr. Carvell:

Q. It says here 69 cents?—A. Ours is 67.

Q. Will you kindly take 20 per cent off that?—A. Off the 67? It is about 60 cents it leaves.

By Hon. Mr. Reid:

Q. How do you mean 60 cents?—A. Net.

Q. 20 per cent would be——

Mr. CARVELL: I am taking 20 per cent off 67 cents.

Hon. Mr. REID: That would be about 54, he said 60.

By Mr. Carvell:

Q. We will take the next, the strawberries at 72 cents. Take off the 20 per cent there, please? And the lowest was 55 according to the return which was brought down. I do not know which firm it was. Then take black currant?—A. 67, that is the same as raspberry.

Q. That would make it how much?—A. 54.

Q. And the lowest was 47½, and gooseberry at 60.—A. 48.

Q. And the other was 45?—A. 44.

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Q. 45 was in the return. Now take orange marmalade, 55, with 20 off.—A. That would be 44.

Q. That is exactly the same as the list?—A. Yes.

Q. So that really when you take off 20 per cent there is not really very much difference between your goods and the price of the others?—A. Not very much.

Q. Would you have been willing to sell these goods to the Government at the price you sold to MacLaren?—A. I do not know that we would have quoted quite as low.

Q. Not to the Government?—A. I do not think, we possibly would have given some off. I do not think we would have quoted as much discount to the Government as we would have quoted to a regular dealer.

Q. Did you have any discussion with MacLaren, either senior or junior, about the price they were charging the Government?—A. No, I didn't have any discussion with him except, I think, that he wrote me that the Department were objecting to the prices, and I replied, "Of course it is possible that they may be doing that, but they are the best goods that can be made." I did not know whether he was trying to get more discounts or what he was after, and so I just gave him that answer, that we could not do any better.

Q. Was he trying to get you to reduce the price?—A. No, I do not think so, I did not think that at the time.

Q. Was anything said about dividing up this commission with anybody?—A. With Mr. Aleck MacLaren?

Q. With either one?—A. I haven't seen Mr. MacLaren, senior, about it.

Q. Then eliminate him.—A. What was the question again?

Q. Was anything said by MacLaren, junior, about dividing up the profits or commission?—A. I do not say that. When the point was being argued with him—

Q. The point was argued with him?—A. Yes.

By the Chairman:

Q. Were you there?

By Mr. Carvell:

Q. Who was it approached you on that?—A. We were approached by a Mr. Balfour of Hamilton, the younger Mr. Balfour, a son of the late Mr. Balfour of Brown & Balfour; he was the one that first approached us.

Q. Did he represent MacLaren & Son?—A. I did not know who he represented at the time he spoke to me first.

Q. As a matter of fact do you know that he represented them?—A. I have found out since that he sold goods for them.

Q. What did he say to you?—A. He asked if we did business with the Government and left word to phone him, I phoned him at the Club and he said, "Are you getting any business from the Government", and I said, "No, we have not bothered about it." He said, "I think I can get you business." I replied, that we were open to do business and he asked me if I could leave samples for him. I replied that I could and he said, "Leave the samples at the station here, and they will be taken to Ottawa to a business man." I did not know who he meant and I left the samples there, I am not sure that the prices were talked about at that time.

Q. Then there was another conversation?—A. Yes, he called me on the phone later and said he thought he could get some business, and wanted to know what discounts we would give him. I told him our discounts were 10 and 2, and he replied, "There is no good talking about that, it is not enough." I said, "That is all we ever do.", and he replied, "Then there is no good talking over it." After talking it over

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for a while, I said to him, "We will give you fifteen per cent," so he took the subject up again. I was surprised at Mr. Balfour approaching me and I thought I would see what he was at. He said, "Is that the best you can do", when I offered him 10, and so I went back to my desk and I got thinking it over. I wanted to get some business and I wanted to find out why he came to me, because his brother is with Wagstaff's, and I couldn't figure out why he came to me at all. I called him back on the phone and I said, "We will give you 20 per cent." He said, "All right, you had better come into town," and I replied that I did not think I could come in that day, I was busy. He said, "You had better come as this thing is going to be settled pretty soon." So I told him if I could make it I would do so, and that is the way it was left. I communicated with my brother in Hamilton and told him about it, and he said, "We will not have anything to do with him." And I said, "That is the way I felt at first, but I wanted to see what he was at. I asked him to come down to Toronto and to meet me at McConkey's or the National Club. He did come down and I met him.

Q. You met whom?—A. I met my brother, and I phoned Mr. Balfour and he asked me where I was and I told him to come over to the National Club. He came over, and said "What about it"? And I answered, "Well, what about it?" He said, "Are these terms all right"? And I replied, "We will stick to what I said," and he replied, "Come over with me", and took us over to MacLaren's office.

By Hon. Mr. Reid:

Q. What MacLaren was it you saw there? Was it the young man, Kenneth MacLaren?—A. Yes.

By Mr. Carvell:

Q. Was anything said about dividing profits at any of the conversations?—A. When I gave him the 20 per cent he said there were four of them in it, that was one of his arguments for getting 20 per cent. I do not know whether that was an ordinary argument in order to get a better discount, or what it was, but he did not tell me the names of those who were supposed to be in with him.

Q. But the result of the negotiations was that you sold goods to MacLarens?—A. Yes.

Q. Are you still selling goods to MacLarens?—A. No, I never sold them any other goods excepting these two invoices.

Q. Have you sold goods to any other person that have gone to the Government?—A. No.

Q. Do you know any persons who have been selling goods since then to the Militia Department?—A. Coming here, or coming to the Government?

Q. Yes?—A. Coming to the Government, you mean that the goods are coming now to the Government?

Q. Or have been?

Hon. Mr. Reid:

Q. Do you know of your own personal knowledge?

By Mr. Carvell:

Q. Do you know anything about a man named Beasley that has been selling goods to the Government?—A. I have been told that there is a man who supplied jams to the Toronto troops.

Q. Have you seen the jam?—A. No, I do not think I have.

Q. Have you a sample of it?—A. I do not know whether I have or not. I have a sample of jam they are getting there now.

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Q. Where?—A. In Toronto.

Q. Of what is it made?—A. Of what is it made?

Question objected to by Mr. Rhodes as being beyond the order of reference.

The CHAIRMAN: I do not see any particular desire on Mr. Carvell's part to extend the scope of the inquiry, and if the question might be that he produces this jar of jam which he got in Toronto and is asked how it compares in price, in relation to the other. I do not apprehend that you have the sample with you in Ottawa?

WITNESS: Yes, I have.

The CHAIRMAN: If Mr. Carvell wants to show that jam at a certain price is relatively as good as jam at a higher price, that is another question, but I do not think that the question of jam used in Toronto now comes within the scope of this inquiry.

By Mr. Carvell:

Q. When did you get this sample of jam from the Toronto camp?—A. I got it on Monday.

Q. Monday of this week?—A. Yes.

Q. Where did you get it?—A. I got it from a man in the camp. I did not get it, he got it.

By Hon. Mr. Reid:

Q. You did not get it yourself?—A. I did not get it myself.

By Mr. Carvell:

Q. Did you send anybody for it?—A. No, the superintendent in the factory has a brother going in the Second Contingent and his brother has been telling him about the jam. I understand the brother is going away pretty soon.

The CHAIRMAN: That is going rather a long way around.

By Mr. Carvell:

Q. Who was the man who got it?—A. Robinson.

Q. What is his Christian name?—A. William.

Q. Did he get it at the camp?—A. I understand so.

Q. And have you analyzed or examined this article?—A. I have not analyzed it.

Q. Whose name is on it?—A. There is no name on it.

MR. RHODES: I object, Mr. Chairman, to this evidence. Mr. Carvell is asking the witness with respect to some jam his foreman told him he got from his brother at the camp. If you can get anything further afield than that I don't know it.

The CHAIRMAN: I think, Mr. Rhodes has fairly stated the objection. If you wanted to compare prices and furnish the basis for a proper comparison of samples properly procured by the man who obtained them and sworn as to the way he got them, and all about it, that evidence would be admissible, but I do not think we can admit evidence of the kind proposed.

By Mr. Carvell:

Q. What is Mr. Robinson's name?—A. William Robinson.

Q. What is his address?—A. Oakville.

Q. Your information is that William Robinson got this can of goods at the camp?
—A. He did not get a can, it was a glass jar.

Witness retired.

Committee adjourned.

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HOUSE OF COMMONS.

ROOM 211.

FRIDAY, April 9, 1915.

The Select Standing Committee on Public Accounts met at 11 a.m., Mr. Morphy presiding, in the absence of Mr. Middlebro, Chairman.

The Committee proceeded to the consideration of "Sessional Papers numbered 122 of the present session of Parliament and all other papers in relation thereto, being copies of correspondence between the Auditor General and the Department of Militia and other Departments of the Government, laid upon the Table of the House, in respect to expenditures under the War Appropriation Act," referred to them by the House.

Hon. Mr. REID: I move that the following report be made to the House: That the Committee have had under consideration the purchase of binocular glasses for the Canadian Expeditionary Forces, and beg to report to the House the evidence and documents in connection therewith.

From the evidence it appears a number of them were of poor quality, low range and inferior efficiency, but passed inspection and were paid for at an excessive price; and this was due to misrepresentation and inadequate inspection. The Committee therefore recommend to the House, that the said evidence and all documents connected therewith, be referred to the Department of Justice, with instructions to enforce restitution and to take such further proceedings as the law will permit.

The CHAIRMAN: Shall the motion carry?

Motion adopted.

Mr. R. H. FLETCHER recalled and examined.

The WITNESS: Gentlemen, you asked me to get some information in reference to the two horses substituted. I told you I did not have it, but could get it next morning. I got it yesterday morning, but unfortunately was not called. The man I purchased one of the two horses from was John Smith, of Scotstown; September 3, one draught horse, purchased per cheque, \$250.

By the Chairman:

Q. The cheque went to him?—A. I handed it to him personally. Another one I told you was Robert Westlake of Cookshire.

By Mr. Carvell:

Q. Just a moment. What was this first horse?—A. It was a mare, a grade draught, no particular breed of any kind.

By Hon. Mr. Reid:

Q. How much?—A. \$225, paid by cheque. I handed it personally. The other was a man by the name of Charles Coote, that is what it is down in the cheque book.

Q. Where was he?—A. South Durham. That was one of the mares in question. The cheque was \$190.

By Mr. Carvell:

Q. A bay mare?—A. Yes, of the Clydesdale type.

Q. You said the first one was a draught horse?—A. A draught mare, I should have said.

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Q. What colour?—A. Chestnut, I think it was, I am sure it was.

Mr. BLAIN: This is evidence in the case of the substituted horses?

The CHAIRMAN: Yes.

By the Chairman:

Q. Is that your statement?—A. That is all the question I was asked, the names.

By Mr. Carvell:

Q. When you bought these mares, or anyone of them did you ask the owners whether or not they were in foal?—A. To the best of my knowledge I asked the owners of every mare whether they were in foal before I purchased them, every mare in the entire purchase. It is just possible there might have been some case in which it was missed, but in every case I asked.

Q. What answer did you get?—A. I never got one answer from any man in the entire purchase that the mare was with foal.

By Mr. Blain:

Q. Why were you so particular about this?—A. Because I recognized that mares in foal were not suitable for military purposes.

By Mr. Carvell:

Q. Did you know whether any of these three mares are registered or not?—A. I do not know, I never made any inquiry one way or the other, either by letter or personally, nor seen any papers in connection with it.

Q. You have not done anything yourself towards having them registered?—A. I have not. In a number of instances, I have been told by men that the horses which they were offering some were Percherons, and some Clydes. The men appeared to think that would increase the value and I would be willing to pay more. I explained to them that that did not make any difference to the Government whether they were blue blood or some other blood.

Q. The Westlake horse was a grey mare?—A. A grade mare.

Q. A Clyde or Percheron?—A. No particular type one way or the other. I could not tell by the looks of the mare which breed predominated.

Q. At the time that you purchased the Coote mare was the purchase done at his place in South Durham, or was it done in the city?—A. It was done at a public hotel there. Every horse I purchased in South Durham was purchased at a hotel. I cannot tell you the name of the hotel, it is kept by a Frenchman.

By Mr. McCrae:

Q. The King's hotel?—A. I purchased in the yard in the rear of the hotel.

By Mr. Carvell:

Q. Did you have any knowledge that the Coote mare had raised a colt the summer of 1914?—A. I had no knowledge whatsoever, to the best of my ability.

Q. Then, of course, you did not drive out there purposely to see it?—A. I never went near his house. I don't know where he lives.

Q. How did you happen to learn, or how did you happen to become suspicious that these mares were in foal?—A. I explained the other night, I gave evidence to that effect. In one instance a man who brought up these horses from South Durham gave that information to a man named Haptie who was working for me at the place where these mares were received. In another case a man from Scotstown said he personally knew the stallion to whom that mare had been sent; and in the third case, it was after the Westlake mare had been examined; she had been in the lines possibly three or four days, and Lynn came to me and said he thought from the actions of that mare she was in foal.

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Q. That was in September?—A. I could not tell you whether it was the last days of August or the beginning of September. It was within a week.

Q. One of these mares has had a colt already?—A. No. Two are heavy with foal and due to foal any day.

Q. Which two would that be?—A. The mare purchased from Coote and the other mare purchased from Smith.

Q. That would be the \$225 mare?

Hon. Mr. REID: \$250.

The WITNESS: The prices were \$250 and \$190.

By Mr. Carvell:

Q. Now, did you say to any person at the time that you purchased these animals that you intended keeping them yourself?—A. No sir, certainly I did not.

Q. Not to the vendors or any other person?—A. No, sir, I never told anybody I was going to keep these horses myself. If I wanted to keep them it would be very easy for me to have bought them. At Coaticook I bought a horse personally for my own use for \$225, which I thought the Government could not afford to pay. It was a saddle horse and I bought it for my own personal use; and I have my own personal cheque here to show for it.

Q. We will take your word, Mr. Fletcher. When your horses arrived at Valcartier was there any trouble about them?—A. No, sir, to my knowledge never any trouble.

Q. Who was the commanding officer of your squadron or battery?—A. The battery of artillery. I was recruiting a section of the battery of artillery, of an ammunition column, 43 men in all. The Brigadier was Colonel Bruce Payne, of Granby.

Q. Was Colonel Payne displaced from his position about that time?—A. Not about that time. I don't know just the date.

Q. Was it shortly afterwards?—A. Before very many weeks afterwards he was, yes.

Q. Was it on account of the character or condition of these horses?—A. Which horses?

Q. The horses which you purchased?—A. Which I purchased?

Q. Yes.—A. Colonel Payne had nothing whatever to do with the horses I purchased. Colonel Payne was a Purchasing Officer. The same as I was. He got orders from Ottawa to purchase horses, and purchased his horses just as I did mine and shipped those horses to a man at Valcartier just as I did, I suppose. But the why and the wherefore of his removal I cannot tell you anything about it. I had nothing to do with it one way or the other.

Q. You say he did purchase horses?—A. He told me he was purchasing horses over there. He came over as my Brigadier and told me he had orders to purchase horses and was doing so. I was not over there to see him purchase the horses and I have no personal knowledge that he did do so, but I suppose he did because he told me so.

Q. Living in the vicinity and being an officer of the same organization, you would have a general knowledge that he was purchasing horses?—A. I told you he told me he was.

Q. And that is your belief?—A. It is my belief that he did absolutely, in fact I know that he did, because the man whom he was purchasing with, the veterinary, Irwin, came over from Sherbrooke one day when I was purchasing horses, to see the quality I was purchasing and told me they were purchasing them. But that is simply hearsay.

Q. I will tell you frankly that certain information has been given to me that I want to investigate, and I know you will tell me with regard to it.—A. I will try and tell you anything that is in my power and tell you definitely.

Q. Was Colonel Payne afterwards reinstated in his command?—A. I understood about a month ago he was reinstated.

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Q. Was there any trouble about one particular carload of your horses?—A. Never one mite of trouble. The horses I bought I never heard one single thing about them, either good, bad or indifferent. In each case I shipped horses to Valcartier I shipped them down in charge of one man, or, if there was a large shipment of six or eight cars, or something of that kind—I sent two men. These men reported with the horses at Valcartier when they got there and they were relieved by the officers and came back. In each case when the man came back he reported that the horses were accepted and that was all.

Q. And you never heard any more of it?—A. I never heard any more of it.

By Mr. Boys:

Q. The horses were all good, so far as you know?—A. The only evidence I can give you in that line is this: that Lynn, who was my receiving and shipping officer there, the man at Sherbrooke, came to me one day in the office and said: "I see there are some horses advertised to be sold at Quebec. The chances are they are very liable to go cheap. Had I not better go down and see if we can make a dollar on any one of these horses."

Q. That is not evidence.—A. Well, Lynn went down there and when he got back I asked him if he saw any of our horses. He said he did not see one of our horses on the list. That is all the evidence I can give you on that line.

By Mr. McCrea:

Q. Of the horses you bought in South Durham, two of them—one purchased from James E. Duffey and another from Coot—were supposed to be registered mares, do you know that?—A. Yes, I have been told that. I was told in a number of instances that mares were registered mares.

Q. You say that you did not know they were in foal when you bought them?—A. No, sir.

Q. Now, just let me tell you a little information I got from people down there.

Hon. Mr. REID: Oh no, that is not evidence.

Mr. MCCREA: I want to ask Mr. Fletcher if my information is correct or incorrect.

Hon. Mr. REID: All right.

By Mr. McCrea:

Q. That is my home down there. I was born and brought up there all my life up to within a few years ago. I was down there shortly after these horses were shipped and after Mr. Hunt had been spreading round that the horses had been bought as registered mares and exchanged. I spoke to one of the parties who was present there, who I think sold you some horses. I said: "It is reported Mr. Fletcher bought registered mares down here and has taken them home and exchanged them for two other horses." It was Austin Duffey, cousin of James E. Duffey, that I was speaking to. He said: "There is nothing wrong about that. Mr. Fletcher when he bought those mares bought them for himself. He took them to his farm and he knew they were registered mares." Is that true, or is it not?—A. That is an absolute fabrication.

Q. That is the information I got from the people down there who were present when the horses were bought.—A. It is an absolute fabrication.

Mr. HANNA: Did you say they were registered or registrable. You have a lot of people telling you that horses are registrable.

By Mr. McCrea:

Q. I understood him to say they were thoroughbreds from imported mares.—A. Do you think—?

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Q. I am not doubting your statement, but I was down there and had occasion to talk with the people. I asked several parties about these mares and I said, "Mr. Fletcher is accused of having bought these mares knowing them to be thoroughbred mares, and has exchanged them for some horses on his farm."—A. That is an absolute fabrication.

Q. Mr. Austin Duffey is the man who replied. He said "There is nothing wrong about it, nothing wrong or irregular, because Mr. Fletcher when he bought them, bought them for himself and said so."

By Mr. Bennett (Simcoe):

Q. Do you know this Mr. Austin Duffey, do you know him personally?—A. I don't know Austin Duffey personally. I know he had horses there because I remember the incident.

Q. But you don't know him personally?—A. No, I do not. If that is all, gentlemen, I would like to make a remark or two. I think in justice to me as a young business man in the Eastern Townships, you will admit this is a matter which reflects on my honour. I have been brought up here on a question reflecting on my honour. Now, Mr. McCrea, who is a public man, has apparently taken quite an interest in this. It has come out in the press that he has made several remarks. I saw it in the paper about Mr. McCrea bringing it up and I will ask if it is right or if it is not right. Did you state, sir, (addressing himself to Mr. McCrea) that you were familiar with these horses that I exchanged. Is that right, sir?

Mr. MCCREA: I did not say I was familiar with all of them.

The WITNESS: With any of them?

Mr. MCCREA: I said there was a peculiarly colored horse. I saw him in the town of Sherbrooke and he was one of those horses that you purchased.

The WITNESS: If you are familiar with that horse will you come up here and state on your oath that horse is unsound or has ever been sick one day or attended by a veterinary for any reason that would unfit him for military service?

Mr. MCCREA: I never said he was unsound.

The WITNESS: Will you, Mr. McCrea, come up here and produce evidence to this Committee in support of your assertions?

Mr. KYTE: I do not think that is proper, that the witness should challenge a member to go up there and give evidence.

Mr. MCCREA: You are here as a witness to give evidence and not to challenge me.

The WITNESS: I admit that, but my reputation is a matter of great importance to me.

Mr. CARVELL: You can go down to Sherbrooke and state anything you want to.

The CHAIRMAN: Let us have one thing at a time. I think the witness has had a good deal of provocation and he has gone perhaps as far as is necessary to defend himself. I think probably he went too far in challenging a member of the Committee; he is not accustomed, I suppose, to our practice and he is worked up. I rather think it is to his credit that he has taken some steps to clear his own name. Now, I think we have had enough of this matter, and had better proceed to some other subject.

The WITNESS: Gentlemen, I would like to apologize if I have said anything to any member of this Committee that he would take offence at, I did not mean to do it.

The CHAIRMAN: Well, the incident is now closed.

The WITNESS: I am sorry if anything I said offended any member of the Committee, but naturally when my honour is impugned I get a little warm.

Mr. MCCREA: You should have thought of your honour when you changed the horses.

The WITNESS: I think of my honour always. That is a very unfair statement for you to make, but I will meet you on the hustings after this thing is over.

Mr. MCCREA: I will be glad to meet you and you will have trouble explaining it.

The WITNESS: You have had every explanation you wanted.

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Mr. HANNA: Mr. McCrea should be put into the box to explain his statement.

The WITNESS: That is what I want.

Mr. KYTE: Oh, tell that to Mr. Lynn.

The WITNESS: Mr. Lynn is absolutely fair and square.

By Mr. McCrea:

Q. Let me ask you a question. Mr. Lynn was employed by you in the purchase of these horses and the shipping of them.—A. He was.

Q. He is a friend of yours and well disposed towards you?—A. Yes, to the best of my knowledge.

Q. Mr. Lynn in the box said that he would not give one-half of the amount for the horse exchanged for the mare that cost \$250. He was further asked if he would give \$100 and he said that he would not, that it was not the class of horse he would buy. I did not say your horse was unsound. I never examined him closely enough to say he was unsound. I do say, however, that I know perhaps as much about horses as you do and that I would not buy him if I were looking for horses. And Mr. Lynn says the same.—A. You are telling me something which of course I know nothing about. I was not here at the time and did not hear that evidence. As to whether Mr. Lynn said that or not I do not know.

Q. You bought one mare at \$190.—A. I did.

Q. She was in good condition when you bought her? She looked all right?—A. To all appearance she was.

Q. You bought another for \$225. Did she look all right?—A. Yes.

Q. You bought another for \$250. Did she look all right?—A. Yes.

Q. How long did you have those horses before you made the exchange.—A. I could not tell you that.

Q. Was it more than two or three days?—A. The time occupied by me in the purchase of horses was 16 days all told.

Q. You do not know whether it was a week or a month? Was it more than two or three days from the time those horses arrived at Sherbrooke?—A. I should say it was. I don't know the time, the horses were going and coming all the time.

Q. One of those two mares since it got into your hands has gone wrong?—A. No, sir.

Q. A short time after she came into your possession she slipped her colt or met with some other misfortune?—A. No, she has not done any such thing.

Q. She was in such a condition that she was not worth \$100 at that time?—A. No, she was not.

Q. Do you say she was all right?—A. As far as I could tell.

Witness retired.

Mr. H. W. BROWN recalled and further examined.

By Mr. Kyte:

Q. Under what circumstances was Mrs. Plamondon's name submitted to you as a person desiring to supply drugs to the Department?—A. To the Department?

Q. To the Department, yes.—A. Well, I think Mrs. Plamondon was a contractor for 1913, I am not sure.

Q. Yes, I know, but I want to find out under what circumstances her name was submitted.—A. I could not say, I have not those papers. They may be here. Well now apparently, the earliest paper here on this file about Mistress Plamondon is a letter to the officer commanding the 5th Division, Quebec, November 7th, 1913, and

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that was some six months after the contract had been made with her. The contract was made with her in April, 1913.

Q. Have you the correspondence relating to that contract?—A. No doubt it is in the earlier volumes.

By the Chairman:

Q. Have you got it here?—No.

By Mr. Kyte:

Q. I notice that that file goes back to 1913?—A. Are you not talking of the other file? This file really consists of the reports of the Boards, fixing the prices for contracts generally, but that would have nothing do do with the contract for Quebec specially. This file which I have in my hand is the file about the contract for Quebec.

Q. You do not have it here?—A. No.

Mr. KYTE: We will get it again.

By Mr. Kyte:

Q. Are these (handing witness papers) the invoices of goods supplied by Mistress Plamondon after the commencement of the war?—A. Yes, apparently.

Q. Have you the requisitions, or were there separate requisitions made out for each of these invoices?—A. I could not say. I see nothing of any of those contracts after the contracts have once been made. The dealings then are between the local medical officer and the contractor. The local medical officer requisitions upon the contractor for what he wants; the contractor supplies it, bills the local medical officer, and he certifies the account. The consequence is that I never see the bills; I have really no first-hand knowledge.

Q. You would not take any requisitions for those?—A. No.

Q. You have the prices fixed by a board?—A. Yes.

Q. You have the original contract with Mistress Plamondon?—A. Yes.

Q. Please turn it up.—A. (Referring to papers.) That looks like four ice bags.

Q. Four sacks of ice?—A. I do not think she could be supplying ice; I should think it would be a rubber bag for holding ice. That would not be covered by the contract at all, a thing like that. That is more surgical. It would not be drugs and medicines. This contract is really for drugs and medicines.

By Mr. Rhodes:

Q. Is your practice to-day, with respect to this so-called patronage list, different from what it has been since you have been purchasing agent; have you varied the general practice in that respect that has been followed for years past?—A. Well, yes and no.

Q. Has there been any substantial change?

By Mr. Carvell:

Q. Wherein yes, and wherein no?—A. Yes, in this respect that as far as local purchases at the different stations are concerned, the practice is now as it used to be; that is to say, we have a patronage list; the local officer, whoever he may be, is given a copy of that list, and when he wants to buy anything without special reference to headquarters, he gets tenders from the names on that list.

By Mr. Rhodes:

Q. That is your practice at places like Halifax, St. John, Que., Quebec city, Vancouver, Victoria, and so on?—A. Is about the same.

Q. As it has been since you have been purchasing agent, away back as far as 1907, was it?—A. 1904. Now in the other respect—

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Q. By the other respect you mean the question of——?—A. Buying here, our buying. In that respect it has changed; that is to say, from, well, perhaps 1906 to 1911, there was not very much in the way of patronage list here; I was given a pretty free hand, and I bought without much reference to any patronage list. That is about five or six years, four or five or six years.

By Mr. Carvell:

Q. What about since 1911?—A. There is a patronage list, a pretty large one.

Q. And you are confined to that list?—A. Yes, we buy from that list; it is a very large list now.

Q. I suppose it would be fair to assume that that list has been entirely renewed since 1911?—A. Yes.

Q. There are no names on the list now that were there in 1911?—A. I suppose we have 8,000 names on the list.

By Mr. Kyte:

Q. Is it for all over Canada?

By Hon. Mr. Reid:

Q. Are there not some names on the list now that were there in 1911, that have still continued?—A. Yes.

By Mr. Kyte:

Q. A small number proportionately?—A. I could not say; the list is such a large one that I could not check it off.

Q. You say you had practically no list before 1911?—A. So far as buying here is concerned, I had a pretty free hand myself.

Q. What was the number on the patronage list in Ottawa?—A. We have not been classifying it in that way. We have it classified alphabetically, and we have it classified with the business qualifications.

By the Chairman:

Q. Trades and occupations?—A. That is it.

Witness retired.

Mr. HENRY WATERS called, sworn and examined.

By Mr. Kyte:

Q. You are a druggist?—A. Yes.

Q. Here in Ottawa?—A. Yes, sir.

By Hon. Mr. Reid:

Q. Are you now in business?—A. I am now in business.

Q. In the drug business?—A. Yes.

By Mr. Kyte:

Q. How long have you been in the drug business?—A. About forty-six years.

By Mr. Rhodes:

Q. Are you in business of your own here?—A. Yes, on my own. I have been in business on my own account for thirty-five years nearly.

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By Mr. Kyte:

Q. You are familiar with the prices of drugs, wholesale and retail?—A. Yes.

Q. We have a list of invoices here, Mr. Watters, beginning 10th August, 1914. I would like you to run through these invoices, and give the Committee your judgment as to the prices. (Hands witness invoices)?—A. (Referring to invoice) "Tabloid bandages at \$1.25 a dozen." I should say that was a fair price. There is no indication of what the size of the bandage is; that is one defect in making out this invoice; it should specify the size of the bandage.

Q. Whether the price was correct or not would depend on the size of the bandage?—A. Would depend on the size.

By Hon. Mr. Reid:

Q. There are different sizes?—A. Yes. If they were sold by the pound it would be all right, but when it is by the dozen they should specify the width, the size of the bandages, 2 inch, 3 inch, 4 inch, you see.

By the Chairman:

Q. What is the variation between a 2 inch and a 4 inch bandage in price?—A. The variation, the retail price is 10 cents for the 2 inch, and 20 cents for the 4 inch, and 15 cents for the 3 inch. These tabloid bandages are a little higher in price than the ordinary bandages. The ordinary bandages we sell wholesale for about a dollar a dozen; but the tabloid bandage is a little higher.

Q. What are these invoices at?—A. \$1.25.

By Mr. Kyte:

Q. If they were only 2 inch bandages, that price would be high?—A. It would be high I should say.

Q. There is nothing in the description to enable a druggist to express an opinion as to whether the price was fair or not?—A. No; the requisitions should accompany these invoices in order that any trained business man could give evidence that would be of any value.

By Mr. Rhodes:

Q. If they were 4 inch bandages the price would be a little low?—A. I do not think there are any low prices.

Q. If they were 4-inch bandages the price would be a little low?—A. That is somewhat unthinkable.

Q. I am asking you a specific question; I am not asking for a speech. If they were all 4 inch bandages, would that price be low?—A. I am not prepared to say.

Q. You were prepared to say in the first instance that you thought that was a fair price, and you have said that if they were 2 inch bandages the price would be high?—A. Yes.

Q. I am asking if they were 4 inch bandages, would the price be low?—A. The inference is, it would be low.

By Mr. Carvell:

Q. What proportion of 4 inch bandages are used?—A. Not so many; many 2 inch and 3 inch.

By Mr. Hanna:

Q. If they were assorted bandages, what would the price be?—A. I am not prepared to answer that. I never buy them by the dozen when they are assorted; I buy them by the pound.

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By Hon. Mr. Reid:

Q. How does the invoice read?—A. It simply reads: "166 $\frac{2}{3}$ dozens. Tabloid bandages, \$1.25 a dozen." That is the product of Burroughs and Wellcome; that is their specific name for their products.

By Mr. Kyte:

Q. So that any person certifying that account as fair and reasonable would require to know what kind of bandage was meant?—A. I should say so, as a practical druggist, I would have to know what size of bandage it was before I could check that invoice.

Hon. Mr. REID: You cannot tell us anything about it, then?

By Mr. Boys:

Q. You want the requisition?—A. Yes.

By Mr. Kyte:

Q. Turn over, and discuss the items that have been marked?—A. I made a note of those that were wrong. There does not appear to me to be any evidence, if they are the original invoices, that they were checked up by any one competent to do it. In no business department would an invoice possess this character if it had been verified and checked, both as to quantity and price, and as to the extension.

By Hon. Mr. Reid:

Q. I do not think that is right. You say that no man could take that invoice and look it over without putting in marks, and check it. Can you not take that in your hand and check it over without putting in marks?—A. No, sir, I could not think of coming here to—

Q. That is not the question?—A. I would not do it.

Q. Can it not be done?—A. Not by me.

Q. Could not any man take that invoice and check it over, if he wanted to, without necessarily putting marks on it? The reason I ask that is, that you have stated, I do not say wilfully, that that invoice has never been checked at all?—A. I resent such an insinuation as that.

Q. How so?—A. I say it is not a businesslike document.

Q. What I said, I repeat again, I do not say you are doing it wilfully, that is the inference to be drawn from your statement?—A. It is only the statement of a business man. I have sufficient knowledge of business methods to say that any man in my employ who would take an invoice, mark the goods and put them away without checking, and giving evidence of the check, would not be kept one day in my business.

Q. You may be the one man who would do it that way?—A. That is quite possible.

By Mr. Boys:

Q. Could not the checker do his figuring on a separate piece of paper altogether?—A. No, he could not.

Q. You might not do it that way but another man might?—A. No, he could not.

By the Chairman:

Q. Might it not have been checked and verified on the copy, if so there might not be evidence of that fact on the invoice before you?—A. But it has not been verified. It bears no particular evidence of having been verified.

Q. What is wrong with the prices?—A. The prices vary; in some cases they are altogether inconsistent.

Q. Give us an instance?—A. Blue ointment at 65 cents a pound and at \$1.20 per pound.

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Q. Now there is not anything about ointment to account for that variation, is there?—A. Blue ointment is blue ointment.

Q. Blue ointment is blue ointment, you say?—A. Yes, and should be of specific strength.

Q. Would the difference in strength affect the price?—A. No, not at all, because the strongest blue ointment can be sold wholesale at a 65 cent limit.

By Mr. Kyte:

Q. What is charged for it in that invoice?—A. 25 pounds at \$1.20 and 2 pounds at 65 cents per pound.

Q. What would be the wholesale price of it?—A. Blue ointment is sold wholesale, as a strong mercurial ointment at only about 65 cents a pound. To make commercial blue ointment we take one part of that ointment to two parts of lard tallow or other grease to make the ordinary article of commerce.

By Mr. Rhodes:

Q. What do you sell blue ointment at, retail?—A. 10 cents, put up in ounce boxes, that is \$1.60 per pound.

By Mr. Kyte:

Q. And what is charged for it?—A. \$1.20 per pound.

Q. In 25 pound lots?—A. Yes.

Q. Does it say it is in tins?—A. Well, if it were in tins it would be a different thing.

By Mr. Rhodes:

Q. You do not know. Are you certain that it was not in tins?—A. As a business man I would know it is not. No invoice on earth would have designated it as "25 pounds blue ointment" if it meant in tins.

Q. But this is in Quebec?—A. I am familiar with the way things are done in Quebec.

By Mr. Carvell:

Q. Would you make a difference in price for the diluted article?—A. It would make it about one quarter cheaper. It would make it a fair price at 30 cents per pound.

Q. For the diluted article?—A. That is the cost to the manufacturer.

By Hon. Mr. Reid:

Q. With regard to this blue ointment that was required, do you insist on saying that they would send out 25 pounds of blue ointment in a great big box, and that it was not put up in small quantities?—A. I am not going to pass an opinion on that. You ought to be able to verify it. As a business man I would verify it.

Q. If a requisition called for 25 pounds of blue ointment in so many ounce tins and it was invoiced as "25 pounds of blue ointment," would that not be correct?—A. It would have been specified.

Q. Even if it did not specify that it was in ounce tins, would it not be correct?—A. It would be altogether too much if it were in ounce tins: it would be too much \$1.20 per pound.

Q. You said it sold retail at \$1.60 per pound?—A. Yes, 10 cents an ounce.

Q. But if it were \$1.20 per pound?—A. For a wholesale price that would be too much.

Q. How much is it too high?—A. Perhaps 25 per cent.

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By Mr. Boys:

Q. You consider an increase of 100 per cent between wholesale and retail prices in your own business as a fair price. You say you pay 65 cents wholesale?—A. Yes.

Q. And you retail it at \$1.60?—A. Yes, 10 cents an ounce.

Q. Do you consider that is right?—A. On this blue ointment? Yes.

By Mr. Garland:

Q. Do you see anything on this invoice about one ounce tins?—A. No, there is nothing to lead one to believe it was in ounce tins.

By Mr. Carvell:

Q. If you had the requisition would you be able to tell the packages in which this came?—A. I should be able to do so if I had the requisition.

By Mr. Kyte:

Q. I see that there are two items for blue ointment: 2 pounds at 65 cents, and 25 pounds at \$1.20. Is there anything to indicate in the charge there that it was a different kind of ointment, or that it was put up in a different form?—A. No, there is nothing here to indicate.

Q. From that invoice it would appear that the 2 pounds charged at 65 cents, and the 25 pounds charged at \$1.20 were all the same?—A. It would so appear. It is simply charged up as 2 pounds, and 25 pounds of blue ointment.

Q. Would you say that 65 cents was a reasonable price for it?—A. I would say it was reasonable, yes.

Q. And for the 25 pounds, \$1.20 would be a very unreasonable price, almost 100 per cent increase?—A. I should say so.

By Mr. Rhodes:

Q. You say that 65 cents a pound would be a reasonable price, Would you sell it at 65 cents a pound?—A. I never sold it by the pound. But I would be glad to sell it at 65 cents a pound. I will sell you all you want at that price.

By Mr. Hanna:

Q. Do you not make a mistake? 65 cents a pound for strong mercurial ointment?—A. Yes, for strong ointment.

By Mr. Kyte:

Q. You have 25 pounds charged there at \$1.20 a pound, amounting to \$30?—A. Yes.

Q. And a reasonable price for that would be about one half of that, or 65 cents a pound?—A. 65 cents a pound.

By Hon. Mr. Reid:

Q. How much profit would you figure at 65 cents? What would it cost?—A. It would cost 30 cents a pound.

Q. I see that the price here in the list is 40 cents a pound?—A. Yes, I think there is a table of discounts. It depends upon the discount.

Q. What would the discounts be?—A. Probably one-fourth or one-third.

By Mr. Bennett (Simcoe):

Q. Is there a charge there for tins?—A. No.

Q. Is it not fair to infer that that 25 pounds of blue ointment was in small tin boxes? They would not take 25 pounds in a lump to the camp?—A. Yes, they could take it.

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By the Chairman:

Q. Have you ever made any inquiry from any person whether it was in tins or not?—A. No.

Q. Why didn't you?—A. I am not here to make an investigation, I am here to throw any light I can upon that matter, or upon the invoices.

By Mr. Bennett (Simcoe):

Q. What do you say about the price for it being fair?—A. I would sell it at 80 cents a dozen wholesale, in ounce tins.

Q. That is actually \$1.20 per pound?

By Mr. Kyte:

Q. And if they were unbusinesslike enough to buy 25 pounds in ounce tins they ought to pay for it?—A. Certainly.

Q. Is it a usual thing to give an order such as that, for the purpose for which they required it, in ounce tins?—A. I cannot say about that, but as a usual thing it would be very uncommon for any one ordering 25 pounds at one time to get it in ounce tins.

By Mr. Bennett (Simcoe):

Q. If you sold that quantity in ounce tins would you charge that much for them?—A. I would not charge that much for a large quantity.

By the Chairman:

Q. If you were asked what would you say would be a reasonable way to send this, in ounce boxes or in a big package?—A. I could not answer that.

By Mr. Bennett (Simcoe):

Q. You have not any charge at all in the invoice for tins?—A. No.

Q. So that the inference is that it was in tins?—A. I cannot see how you can arrive at that conclusion.

By Mr. Boys:

Q. It is put up wholesale in five pound tins. Supposing you wrote to a large wholesaler for 25 pounds, how would it come to you? Would it be in 5 pound tins?—A. I never buy it that way. I buy the strong mercurial ointment and dilute it myself.

By Mr. Kyte:

Q. And you were willing to sell that to the Government in 25 pound lots at how much?—A. 25 pounds in bulk?

Q. Yes.—A. Blue ointment?

Q. Yes, what would you sell it to them at?—A. I might be tempted to sell it at fifty cents a pound.

Hon. Mr. REED: And in tins what would you sell it at?—A. I believe in tins I would ask 80 cents a dozen.

By Mr. Carvell:

Q. Would that be the strong article or the diluted article?—A. That would be what is known in the trade as blue ointment.

By Mr. Kyte:

Q. What is charged in the invoice?—A. \$1.20.

Q. That is for blue ointment such as is charged in that invoice?—A. Yes.

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By Mr. Bennett (Simcoe):

Q. And you do the stretching?—A. Oh yes, I do that all aright.

By Mr. Kyte:

Q. If a person came to you for 25 pounds of blue ointment, what would you sell it for in bulk?—A. I would not charge more than 60 cents a pound for it.

Q. And that is one half what is charged in that account?—A. Yes.

By Hon. Mr. Reid:

Q. And in tins, small tins, what would the price be?—A. 80 cents a dozen.

By Mr. Kyte:

Q. How is it, reduced to pounds?—A. That is one dollar a pound, a dozen is nearly a pound.

By Hon. Mr. Reid:

Q. That is for the weak kind?

By Mr. Kyte:

Q. For the commercial kind?—A. For blue ointment.

By the Chairman:

Q. Known to the trade as such, which is mixed with some other ingredient?—A. Yes.

By Mr. McCurdy:

Q. When it is put up in ounce tins, is that an ounce of ointment or does it include the tin?—A. In the case of blue ointment it would be an ounce of ointment. These boxes do not hold a full ounce, and most of the ointments are a little less than an ounce. But mercurial ointment is heavier than any of them, and it would hold an ounce.

By the Chairman:

Q. Take the next item.—A. Aspirin tablets are different prices, and they charge \$15 as the prevailing price.

By Mr. Kyte:

Q. What is the charge there?—A. \$15.60 charged here, and \$12. That price there is \$9 a thousand.

By Hon. Mr. Reid:

Q. Which price do you mean?—A. Horner's.

By Mr. Rhodes:

Q. Are you suggesting that \$12 and \$15, the price in the invoices before you, is too high?—A. Yes.

Q. Now, Mr. Watters, I want to ask you this question. You say that would be too high as a prevailing price, but as a matter of fact did not the price of aspirin and other drugs, which I believe come from Germany, rise very rapidly after the declaration of war?—A. Yes, it could not be bought very much lower.

Q. As a matter of fact, in the trade was there not grave uncertainty and excitement as to the prices immediately following the declaration of war?—A. Yes.

Q. And the fluctuation of prices was very marked?—A. In some chemicals, yes.

By Mr. Kyte:

Q. Did you take that into account now?—A. Yes.

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By Mr. Rhodes:

Q. At the period that invoice was made there was great uncertainty?—A. Yes.

By Mr. Kyte:

Q. And you have taken that into account?—A. Yes.

Q. What is the price charged there?—A. \$15 in one place.

Q. \$15 for 5,000?—A. \$15 a thousand. In another place there are 2,000 at \$15; there are 5,000 there (indicating) with atropine crossed out, I take it this is intended for aspirin at \$17.35.

Hon. Mr. REID: It may have been something else.

Mr. KYTE: What does it say there?

Hon. Mr. REID: Read it off.

The WITNESS: A fair guess——

By Mr. Kyte:

Q. Don't guess.—A. 5,000 tablets atropine, that word is crossed out, at \$17.35, I think.

By Mr. Hanna:

Q. Atropine?—A. That is crossed out, and marked with a lead pencil is a word which might be taken for aspirin.

By Mr. Kyte:

Q. What do they cost?—A. \$17.35 a thousand.

Q. They are not atropine. What should the price be for aspirin?—A. Aspirin, \$9 per thousand.

By Mr. Hanna:

Q. Is that the pure aspirin or acetylsalicylic?—A. That is another question.

Q. You should state that if you want to be fair?—A. If it is the other one, then the price should be a third of it. I am giving it credit for being aspirin, the most expensive brand on the market.

Q. You cannot buy them for \$9?—A. I can buy them for \$9.

Hon. Mr. REID: Mr. Watters says \$9. Is that the wholesale price?

The WITNESS: That is the wholesale price that I can sell them for.

By Mr. Kyte:

Q. If any person were to ask you for 1,000 you could sell them for \$9?—A. If you want 1,000 I could sell them for \$9, and if you want 5,000, I might be able to shade it.

Mr. SMYTH: I will give you my order now for 10,000.

By Mr. Hanna:

Q. Who is this Horner you are quoting from?—A. Frank W. Horner, Ltd., Montreal. \$9 a thousand for aspirin. For acetylsalicylic acid——

Q. Is that a pound or tablets?—O. No, a thousand, not a pound. Horner quotes \$2.50 per thousand. I can quote you for aspirin \$9 a thousand.

By Mr. Kyte:

Q. There is 5,000 charged at \$15 a thousand; that is \$75; and 4,000 at \$15, that is \$60; 2,000 at \$15, that is \$30; and 5,000 at \$17.35.

Hon. Mr. REID: There is some doubt about them.

Mr. KYTE: We have to take the invoice as it is.

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Hon. Mr. REID: Mr. Watters says himself there is some doubt about it.

By Mr. Kyte:

Q. Doubt as to what?—A. As to what it is. If the requisition had been here we could have checked it at once. It is not atropine. I take it that what is there is intended for aspirin.

Hon. Mr. REID: The original invoice was typewritten atropine.

By the Chairman:

Q. Is there such a thing as an atropine tablet?—A. Yes, they are less expensive.

By Mr. Kyte:

Q. It is not atropine that is there, that is struck out, and the other word written in its place?—A. It looks like aspirin.

Q. 5,000 charged at \$17.35, that is \$86.75, making a total of \$251.75. Now, Mr. Watters, you stated to a member of the Committee that you would be very glad to sell in quantities of 1,000 or more, 1,000 for \$9?—A. Yes.

Q. And if the order was more than 1,000 you would sell it for less?—A. I think I could shade it, yes.

Q. You would sell that quantity then for \$144?—A. Whatever it amounts to.

Q. 16,000 at \$9 a thousand?—A. Yes.

Q. And the amount charged in this account is \$251.75, making an overcharge of \$107.75 on that item. Take the next.

The CHAIRMAN: It is hardly fair to the witness to have him agree to that unless he has figured it out. He had better figure it out and take his oath.

By Mr. Kyte:

Q. There are 5,000 charged at \$15, making \$75; 4,000 at \$15, \$60; 2,000 at \$15, \$30; 5,000 at \$17.35, \$86.75. What is the total of that?—A. \$251.75.

Q. That is right. 16,000 you would sell at \$9?—A. Total \$144. Now you want to subtract that from the other, it is \$107.75.

Q. So there is an overcharge of \$107.75 on the item of aspirin?—A. I should say so.

By Hon. Mr. Reid:

Q. Will you say that you are now prepared to take an order at the price you are quoting, at the price you say you would have sold the goods for?—A. I am not prepared to say it will be supplied.

Q. Why?—A. Well now, gentlemen, I don't think that I should be called upon to explain why. This manufacturer says, "We will not take your order for a very large amount."

By Mr. Kyte:

Q. What was the date that order was given?—A. 3rd September.

By Hon. Mr. Reid:

Q. That was after the war broke out?—A. After the war broke out.

Q. You are not in a position to say now you could supply 10,000 aspirin tablets within a very short time?—A. No, I am not.

By Mr. Boys:

Q. In making the calculations which have resulted in the figure you have given, are you taking Horner's price?—A. Yes, Horner's.

Q. Horner's throughout?—A. Some of them I think were.

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Q. Will you say whether they are all Horner's and if not, whose they are?—A. It is difficult to tell you in each individual case. Some are Park-Davis's, and some are Horner's. This one is Horner's.

Q. All of them, you say?—A. No, this particular item. Let us take each item as it comes.

Q. You are probably at cross purposes and you misunderstand me. Mr. Kyte has just got you to say that in this item there is an overcharge of \$107.75?—A. Yes.

Q. In reaching that conclusion, are you basing your conclusion on Horner's prices?—A. On Horner's prices.

Q. Surely you could get it from Park-Davis's at the same price as you could from Horner?—A. I don't believe you could.

Q. If the goods supplied in that invoice were not Horner's then the figures you have given are useless?—A. Well, I think it should have been specified on that invoice whether it was Park-Davis's or Horner's.

Q. That is not what I am asking. I suppose you as a business man will appreciate what I am after. Wouldn't you want to know what an article was in order to say whether the price is fair or not?—A. Yes.

Q. Because I suppose one maker will supply an article at one price and another at a higher or lower price, therefore before we could arrive at anything useful and definite we would have to know what particular goods were supplied?—A. Yes, what particular goods were supplied.

By Mr. Kyte:

Q. There is a difference between selling them now and selling the same thing in September?—A. Yes, I could have sold them cheaper then. They are quoted now at a much higher price.

Q. You are a retail druggist, you are quoting the retail prices?—A. These are the wholesale prices that I am giving. I would sell them at that figure wholesale and no one could sell them at any less than I know of.

By Mr. Boys:

Q. There is a difference of 33½ per cent between Horner's price and the Park-Davis price on the one article?—A. Park-Davis is one-third more, yes.

By Mr. Reid:

Q. Where they charged \$12 in one item, if that were Park-Davis it would be really at the cost price?—A. I think there is one item of \$12 some place (examining invoices). I think there is one at \$12, the price of oil of wintergreen. It is labelled here "Liniment Gaultheria." I take it that is the oil.

By Mr. Kyte:

Q. Let us understand this, I think there is a misunderstanding here. It is claimed by some members of the Committee that there is a charge of \$12 a thousand for aspirin tablets in that invoice, is that correct?—A. Wait until I see if I can find it. It seems to me I saw that (after making search). There is one at \$7.

By Mr. Hanna:

Q. What date is that?—A. That is the 10th September.

By Hon. Mr. Reid:

Q. You can say there is one item of 20,000 at \$7. That is for Aspirin?—A. Yes

By Mr. Kyte:

Q. What is the next item?—A. There is oil of wintergreen, but I want to get the different rates. There is 25 pounds at \$5.50.

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By Hon. Mr. Reid:

Q. I understood you to say that \$9 was the lowest rate you would sell Aspirin tablets for.—A. Yes.

By Mr. Kyte:

Q. At present?—A. At the present time.

By Mr. Boys:

Q. That is Horner's?—A. Yes, Horner's.

By Mr. Hanna:

Q. Is Horner a reputable manufacturer?—A. Yes.

Q. How long has he been in the business?—A. About two years only. He is a nephew of Wyeth's.

Q. Is he considered to be on a par with Park-Davis?—A. Oh, quite. I would take his products just as soon as I would take any other.

By Mr. Boys:

Q. Why is there a difference of 33½ per cent between them?—A. I cannot explain that. I see an item here, 25 pounds of Liniment Gaultheria, \$3.20.

By the Chairman:

Q. Is that oil of wintergreen?—A. They have it liniment. There is no such thing as liniment.

Q. Well, you have not said anything about it.—A. I am getting all the different items. There are 25 pounds at \$3.20.

Q. Have you found oil of wintergreen?—A. I am taking this as oil of wintergreen and not oil of Gaultheria, because there is no such preparation as oil of Gaultheria.

By Mr. Kyte:

Q. A good deal would depend upon the man who is passing that account as to whether he is right or not.—A. I should think it was all a guess, yes.

Q. What does he say about the price?—A. Let me get the other prices. I have already given you \$3.20 and \$5.50. Now, I have found in another place the item, 10 pounds of oil of Gaultheria at \$8 a pound.

Q. Yes?—A. So we now have \$3.20, \$5.50 and \$8.

Q. The total of that amount according to the quantities purchased is \$287.30. What do you say as to these prices?—A. \$3.20 is enough.

By Mr. Hanna:

Q. Would you supply it at that?—A. Yes. Do you think there is any genuine oil of Gaultheria in the country?

Q. There ought to be.—A. Do you think there is any in the country?

Q. There used to be.—A. Well, there is not a single drop of it.

Q. Do you say it is all spurious stuff?—A. Gentlemen, there are different grades. I want to make this as clear as possible.

Hon. Mr. REID: That is what we would like to have.

Mr. KYTE: I would suggest that if honourable members want to cross-examine Mr. Watters, they should wait until he has made his statement.

By Mr. Kyte:

Q. Now, Mr. Watters, you have 25 pounds at \$5.50. Will you just calculate what that would amount to?—A. \$137.50.

Q. Twenty-five pounds at \$3.20?—A. \$80.

Q. And 10 pounds at \$8?—A. That is \$80.

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Q. What does that amount to?—A. \$297.50.

Q. That is, 60 pounds amount to \$297.50; and you say that that should have been sold for \$3.20?—A. At the very outside.

Q. Calculate how much that would be?—A. \$192.

Q. Then there is an overcharge there of \$105.50 upon a transaction of \$297.50?—A. Yes, sir.

By Hon. Mr. Reid:

Q. If the same thing applies in this case, namely, that there are different grades of manufactures, some at higher prices and some at lower—A. All lower than \$3.20; all of them lower than \$3.20.

Q. That is not the question I asked you. I asked if the different manufacturers of this article like Parke Davis have different prices?—A. Parke Davis do not manufacture it.

By Mr. Hanna:

Q. Burroughs Welcome?—A. They do not manufacture it.

Q. Gaultheria?—A. It is manufactured in New York, Switzerland, and it is manufactured a good deal of it in Germany. There is oil of birch, which is manufactured in the New England States. A lot of that is sold.

By Hon. Mr. Reid:

Q. They are not all the same price?—A. No, they are not all the same price.

Q. On that invoice, does it state whose manufacture it is?—A. No.

Q. So you have no means of knowing from the invoice whose manufacture it was?—A. No.

Q. It does not state whose manufacture that was; it might have been a higher-priced article, so far as the invoice shows, and you have no means of knowing?—A. No; I do know that the highest grade I can get is \$1.60 a pound.

Q. Where is it manufactured?—A. It is manufactured from birch in the New England States. I think it is Simmonds' brand. It is a chemical, but it is not distilled from winter green bark or leaves. There is not an ounce of it in the country.

Q. That price of \$1.60 per pound, is that the price in the New England States?—A. That is in Toronto.

Q. After the duty is paid?—A. After the duty is paid.

By Mr. Kyte:

Q. You say that \$3.20 a pound would be an excessive price?—A. It would be an ample price.

Q. Even at retail, sold by any druggist?—A. It is a good price.

Q. For the quantity sold?—A. Yes.

By Hon. Mr. Reid:

Q. What do you sell it at retail for?—A. 40 cents an ounce, the highest grade. That is only a small quantity; they never buy a large quantity.

By Mr. Kyte:

Q. So this price represents 40 per cent over and above what you say would be a fair and reasonable price?—A. Is it 40 per cent?

Mr. KYTE: Practically that. Take the next item.

Hon. Mr. REID: 60 pounds at \$6.40 retail would come to \$384.

Mr. KYTE: Are you going to say that the Militia Department orders that quantity by the ounce? If so, the country had better know of it. As it is now nearly one o'clock I think Mr. Watters might take the invoices with him and go over them between now and three o'clock.

Committee adjourned.

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AFTERNOON SITTING.

HOUSE OF COMMONS,

Room No. 211.

FRIDAY, April 9, 1915.

The committee met at 3 o'clock, p.m., Mr. Morphy presiding.

Mr. HENRY WATTERS recalled.

By Mr. Kyte:

Q. What is the next item, Mr. Watters?—A. Zinc ointment. The first item is 45 cents a pound, two pounds of it, then 6 pounds of it at \$1. The next is 20 pounds at \$1.50 per pound, then 6 pounds at \$1.20 per pound.

Q. That is all the zinc ointment?—A. That is all the zinc ointment.

Q. All that you have found?—A. Yes.

Q. And what was the first of these prices?—A. 45 cents—that is a low enough price for it.

Q. That would be a fair price?—A. Yes, a fair price. Of course the other is too high.

Q. So that we have here 34 pounds of zinc ointment altogether; 2 at 45 cents, equals 90 cents; 6 pounds at \$1, \$6; 20 pounds at \$1.50, \$30; and 6 pounds at \$1.20, \$7.20. Is that right?—A. Yes.

Q. How much do you make that to be?—A. \$44.10.

Q. Now will you just figure what that will be at 45 cents, the first price?

By Hon. Mr. Reid:

Q. Does it say whose manufacture that is?—A. No.

By Mr. Kyte:

Q. What does that amount to?—A. At 45 cents.

Q. Yes?—A. \$15.30.

Q. And what is the difference?—A. \$28.80.

Q. What percentage of profit would that be over and above a reasonable profit represented by the 45 cents a pound, about 200 per cent, is it not?—A. Not quite.

Q. \$30 would be 200 per cent?—A. Yes.

Q. That is nearly 200 per cent profit on \$15.30, that represents profit over and above the ordinary retail profit, of nearly 200 per cent?—A. Yes, that is right. Zinc ointment, 40 cents.

By Mr. Kyte:

Q. Wholesale?—A. Wholesale.

By Hon. Mr. Reid:

Q. In bulk?—A. In bulk?—it does not state there.

Q. It just says per pound.

Q. Is there not a different quality of these articles, for one kind a certain price and another a little more and so on? Do you think it is really the same article?—A. Oh, yes, you cannot legally make it inferior in grade to the B. P. Standard, as you know.

Q. I know. What I mean is this: would there not be this possible chance—I don't want to be unfair either to your judgment or the invoices—that the cheaper price may

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be in bulk and the others might be say in 1-pound tins, others in $\frac{1}{2}$ -pound tins, one at, say, \$1.50; another at \$1.20, and another at 60 cents?—A. It could not make a difference of more than five or six cents at the outside. There could not be a greater difference than that even if in 1-pound tins.

Q. In smaller tins than even that? What is the smallest you see it put up to sell at druggist?—A. In a 10-cent tin for retailing.

Q. That is one ounce tins?—A. Yes.

Q. If these were put up in one-ounce tins, that is that each soldier would have an ounce tin, would not these prices be very fair, would they be very much out of the way?—A. They would be too much.

Q. How much too much? You say they retail for 10 cents, that would be \$1.60 for a pound?—A. I do not think it is fair to put the price that much for a single ounce of zinc ointment.

Q. The only reason I mentioned that is this, that the invoice does not show whether they are in tins or in bulk?—A. That is a difficulty that any referee of these accounts meets with, that he has no means of verifying it. Without having the requisition in front of him, he cannot tell what it is; therefore he has to use his judgment and assume it is in bulk.

Q. In these prices, in your evidence you are giving your prices taking it for granted it is all in bulk?—A. That is right.

Q. And not considering the fact that it might be in small tins?—A. I am not called upon to consider that.

By Mr. Kyte:

Q. Would it be a reasonable purchase to make 20 pounds of zinc ointment in one pound tins, purchasing it in this way?—A. Yes it might, it is reasonable enough.

Q. What would you put it in the tins for?—A. To meet the specification of the purchaser only, for no other purpose. If I got an order to put it in, I would put it up that way if the purchaser wants it so.

Q. What difference does that make in the price?—A. It would make a difference of—take a one-ounce tin would cost 1 cent. That would be 16 cents to be added to the pound price, and the time of putting up 16 one-ounce tins instead of one pound, which I would have to figure out according to our known methods of figuring.

Q. Would 20 cents cover the whole thing?—A. 16 and 20 cents.

Q. 4 cents for the time?—A. I should say 4 cents would cover the whole thing.

Q. That would be 20 cents.

By Hon. Mr. Reid:

Q. Really, in selling it, you would not take it for granted you were selling it at the same price if you sold one lot of 25 pounds in little ounce tins or another lot of 25 pounds in bulk. You would not figure it out in the same way?—A. I would figure it out in the same way in every instance. In business I would specify what I was supplying and indicate on the invoice what I was giving.

Q. Exactly. I can understand the invoice should be plainer. I only want to be fair to the parties. As it is not specified in the invoice it is impossible to make it clear without a specification?—A. If I am expected to give an opinion it is a natural assumption that when it does not specify ounces it is bulk.

By Mr. Boys:

Q. As a practical man, you do not think that this went off to the front, or wherever it did go, in bulk, do you?—A. Now, that is a question.

Q. I know it is a question, and I am asking the question.—A. I know nothing about it.

Q. You might guess?—A. If I were ordering these things—

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Q. I am not asking you that, I am asking you a straight question. You admit you have to guess at what you are doing, and now you are doing it to the best of your ability?—A. What do you want me to answer?

Q. Supposing there is 20 pounds of zinc ointment: as a practical business man knowing what this is wanted for, do you suppose that that was sent off for use in bulk?—A. I have no means of knowing.

Q. Give us your opinion as to what they were for?—A. I think you are asking too much.

Q. Why am I asking too much? In the first place, let me ask you what do you think it was wanted for?—A. I do not know.

Q. You have no idea?—A. I know what it is used for.

Q. What for?—A. For abrasions.

Q. And you know this was for military purposes?—A. Yes.

Q. To go with the troops?

Mr. KYTE: He does not know that. This was purchased at Valcartier.

Mr. BOYS: What was it for?

Mr. CARVELL: To go to the hospital, of course. Did you ever hear of every soldier carrying away an ounce tin of zinc ointment with him?

Mr. BOYS: I could think so.

Mr. CARVELL: These things all go to the hospital.

Mr. BOYS: You may be right. But I can quite understand that a soldier might take one in his kit.

By Mr. Boys:

Q. Is there any guess or idea on that point?—A. I can give a guess. I guess if it went to the hospital it went in bulk. I guess if it were intended to go in a soldier's kit it went in ounces.

Q. All right. If you were asked to supply these small ounce tins, you have already told us that your price would be at the rate of \$1.60 per pound?—A. I said it is 10 cents per tin. I am not saying that at all. When it comes to the pound, it is a different price. I will sell you three for 25 cents.

Q. Supposing I want a pound in ounce tins, and went into your store right now, what would I pay?—A. You would be charged \$1 for a pound in ounce tins.

Q. And if I wanted 20 it would be about the same?—A. It is four for a quarter,

Q. You look upon a pound as practically a wholesale quantity for an article of that kind?—A. Yes.

Q. If I want twenty it would be the same price?—A. I think I could do a little better, I could shade that quite a bit.

Q. I would almost think so from listening to your evidence?—A. I would be glad to get a chance at it.

By Mr. Kyte:

Q. You say from the invoice, as a matter of business practice that it was sold in bulk, from the entry on the invoice?—A. I would think so.

Q. Is there anything about this zinc ointment that would make it more necessary for soldiers to carry than salts or any other medicine?—A. I could not answer that.

Q. What is the next item?—A. Fluid extract of gentian at \$2.75. Parke Davis' long price is \$1.75.

Q. For what?—A. One pound, the Parke Davis price is \$1.75.

Q. What do you mean by Parke Davis' long price?—A. There is a discount to those who buy in large quantities, of 40 per cent on that article only, not on everything and 25 per cent to the general trade.

Q. What quantity would it be necessary to buy to secure that discount?—A. About \$300 worth in a year in order to entitle you to the best rates.

Q. Is that a large amount for a druggist in the city to purchase?—A. No, it is not.

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Q. As a matter of fact all druggists doing business in cities would require that quantity?—A. Oh, I cannot say that, because I know all druggists are not on that preferred list; they do not do business enough.

By Mr. Carvell:

Q. Do they all get discounts of 25 per cent.?—A. All of them.

Q. The price is \$1.75 with 25 per cent off to everybody?—A. Less 44 cents would be the cost price to people who are not on the preferred list.

By Mr. Kyte:

Q. \$1.75 less 44 cents would be \$1.31?—A. Yes.

Q. Parke, Davis's price is \$1.31. That is they charged 100 per cent, on that item?—A. About that.

By Mr. Garland:

Q. There is nothing on that to show whether that is fluid extract of gentian for tinctures or infusions?—A. No, it does not, Mr. Garland, it does not show anything about that.

By the Chairman:

Q. If there had been anything to show would that have made any variation in the price?—A. Not very much. There is a compound tincture of gentian at \$2.20. If they were going to use that the price would be \$2.20.

By Mr. Rhodes:

Q. That is the long price?—A. Yes

By Mr. Kyte:

Q. That is not what is described on the invoice?—A. No, it is not. It is pretty difficult to say what some of them are.

By Mr. Rhodes:

Q. Might it be that compound tincture of gentian?—A. I think we will have to take the evidence we have.

Q. I think that is a fair question?—A. Yes, it might; it could be possibly.

By Mr. Carvell:

Q. Figure it out and take off your 25 per cent? You would have 25 per cent off \$2.20?—A. \$1.65.

By Mr. Garland:

Q. It is likely it would be tincture they would use instead of infusion, is it not?—A. Quite possible.

Q. Because it would be most likely for a tonic.—A. It is quite possible.

By Mr. Carvell:

Q. Take the tincture and you would have what?—A. \$1.10 in excess.

Q. On \$1.65?—A. Yes, sir.

Q. Making 60 to 70 per cent profit?—A. Yes.

By Mr. Kyte:

Q. What is the next item?—A. Tincture of ginger. The price is \$6.50. Parke Davis's price is \$4.35. It is in a 16 fluid ounce bottle. I think there was only one pound.

Q. Any discount on that?—A. The same discount as on the other.

Q. 25 off?—A. 25 off.

Q. That represents a profit of 100 per cent per pound?—A. Yes.

By Mr. Boys:

Q. I suppose in your own business you would look for 100 per cent profit on one pound, and on one ounce, 150 per cent profit according to your own admission?—A. Excuse me, I did not admit anything of the kind. What I had reference to was only one article and that under certain circumstances. I do not want you to represent it as being my universal and unvarying plan to charge 150 per cent profit.

Q. I am only taking your own admission.—A. For that special article.

Q. I am pointing out to you that if you only made 100 per cent for one pound, 150 per cent on one ounce would be fairly good.—A. If you want to know what I would do, I would charge the list price.

Q. The list price?—A. Just the list price.

By Mr. Kyte:

Q. Which would be what?—A. Following these list prices, if I were selling a pound of tincture of ginger or tincture of gentian, I would charge \$1.75 for it.

By Mr. Rhodes:

Q. You have not established yet that there was any of this sold.—A. Any of this fluid extract?

Q. Yes.—A. I cannot establish that. It is on record "3 pounds of fluid extract of ginger and 3 pounds of fluid extract of gentian."

Q. The last item is the one we have had under discussion?—A. The last item? Well, there are just 3 pounds of each.

By Mr. Kyte:

Q. And what was the charge, you say?—A. The tincture was \$6.50 a pound, 3 pounds at \$6.50 a pound.

Q. That represents 100 per cent profit. What is the next item?—A. 2,000 pills Cathartic Compound is the next one at \$3.50. That should be \$1.15.

Q. Bought for \$3.50 a thousand?—A. Yes.

Q. It should be?—A. \$1.15 a thousand.

Q. That represents a profit of 200 per cent nearly?—A. Isn't it more than that?

Q. Yes, more than that?—A. It is about three times.

Q. It is a profit of \$2.35 per pound?—A. Yes. I might say the price of that varies.

Q. That is over 200 per cent profit.—A. On that price there (indicating invoice) yes. Now, there is another one at \$2.20.

By Mr. Boys:

Q. Instead of \$3.50?—A. Instead of \$3.50.

By Mr. Kyte:

Q. How many?—A. 6,000 at \$2.20. That should be \$1.15.

Q. That is just 100 per cent?—A. And here are 6,000 at \$2.20.

Q. Six thousand more at \$2.20?—A. Yes.

Q. Which represents another 100 per cent profit?—A. And 2,000 at \$3.

Q. Let us see what these items total up, 2,000 at \$3.50.—A. \$7.

Q. Six thousand at \$2.20.—A. \$13.20.

Q. Two thousand at \$3, is it \$3 or \$3.50?—A. This one is \$3—\$6.

Q. What do they total up?—A. \$39.40 is the amount.

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Q. Calculate it at the price which should have been charged, \$1.15.—A. That makes how many altogether, 16,000, isn't it?

Q. Sixteen thousand, yes.—A. On this there is not the same large discount. There is only a very small discount off that price.

Q. Now, how would you sell it?—A. I would sell it at that price.

Q. \$1.15?—A. Yes, \$1.15.

Q. How much does that amount to?—A. \$18.40, isn't it?

Q. Yes, and the excess over what should properly be charged is how much?—A. \$21.

Q. That represents about 120 per cent profit, does it not?—A. Just a little over 100 per cent.

The CHAIRMAN: How are you working this out? You seem to be very doubtful about it.

Mr. KYTE: Here it is. Price it should have sold at, \$18.40; price paid, \$39.40; profit, \$21; and \$21 profit on a proper charge of \$18.40 represents 120 per cent pretty nearly.

By Mr. Kyte:

Q. What is the next item?—A. Absorbent cotton.

By Mr. Boys:

Q. One would almost think that there would be a difference in the quality of these pills, judging from the price, unless there has been absolute fraud, and very possibly that is what it is. If so, we ought to know. I mean that as you see pills priced at \$3.50 and \$3 and \$2.20, I suppose you will agree with me that would leave the ordinary individual to conclude that there must be a difference in quality. That is fair, isn't it?—A. I suppose that is the natural assumption.

Q. Would that be possible in this case?—A. No.

Q. Then it simply means that in your opinion these pills were all exactly the same, and that they have been put in here at different prices to deceive; is that it?—A. I would not say that. I am not going to say that. All I say is that they can be bought, the best cathartic pills, at \$1.15 a thousand.

By Mr. Kyte:

Q. And if they are not the best they should be less?—A. Certainly.

By Mr. Boys:

Q. Can you give any explanation why they have not charged \$3.50 right through? I cannot see why they should not have gone through the whole business and charged \$3.50 if they wanted to deceive?—A. Neither can I.

Q. You know it is wrong, but you can give no reason why the person who made out that invoice should make such a glaring mistake?—A. I cannot explain it.

Q. In fixing the prices that you are giving us, are you taking Parke Davis's prices?—A. They were Parke Davis's prices for the cathartic pills.

Q. They are the highest?—A. The highest grade we have.

By Mr. Kyte:

Q. What is the next?—A. Absorbent cotton, the price is a dollar all round.

Q. What quantity?—A. Varying quantities, 50 pounds, 100 pounds, 25 pounds.

Q. You might give me the quantities?—A. There is 25 pounds.

Q. At how much?—A. \$1.

Q. Next?—A. 25 pounds at \$1, 100 pounds, 40 pounds at \$1, 25 pounds at \$1, 12 pounds at \$1, 100 pounds at \$1, 25 pounds at \$1, 25 pounds at \$1, 50 pounds at \$1. That is all I have; I have not made a note of that.

Q. We will now see what the total amount is.

The CHAIRMAN: 427 pounds at \$1 a pound would be \$427.

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By Mr. Kyte:

Q. At \$1 a pound the total would be \$427?—A. Yes.

Q. What do you say to that price?—A. My retail price is 75 cents for one pound for the highest grade cottons in the market, Johnston's & Johnston's Red Cross.

Q. If you were selling in quantities of 25 pounds, or 100 pounds, what would you sell it for?—A. 60 cents a pound.

Q. An order as large as this you would sell for 60 cents a pound?—A. Yes.

Q. Calculate what that would be, 427 pounds at 60 cents a pound?—A. \$256.20.

Q. That is the excess in price over the ordinary retail, \$170.80?—A. No, the excess over my wholesale price.

Q. Over your price for such quantities?—A. Yes.

Q. The excess is \$170.80?—A. Yes.

Q. Or about 75 per cent?—A. 66 $\frac{2}{3}$ I think.*By Mr. Boys:*

Q. Reverting to the cathartic pill proposition, I understood you to say that you took the highest price quoted by Parke Davis. I find here in the catalogue of Parke Davis, Item 197, page 41, Cathartic Compound, \$2.30 a thousand. I am not saying that those pills were that, and I do not suppose you know, but I am pointing out that the highest price in Parke Davis's catalogue is not \$1.15 but \$2.30.

By Mr. Hanna:

Q. You did not say whose price it was?—A. I think I said Parke Davis's.

By Mr. Boys:

Q. I understood you to tell Mr. Kyte, and he also made the statement here, that you were taking the highest price?—A. Yes.

Q. Is not the highest price there \$2.30, and not \$1.15?—A. (Referring to catalogue). I am giving you the article I referred to, Compound Cathartic Pills, at \$1.15 a thousand.

Q. Apparently you take your figures from page 28 of the catalogue?—A. If that is what I showed you.

Q. On page 28, item 151, the quotation is \$1.15, that is where you take your figures?—A. Doubtless.

Q. You made the statement that you took the highest price, and that is the highest price on the page. But supposing you had taken the same catalogue at page 41, item 197, Cathartic Compound, \$2.30 per thousand, would you have made any such statement?—A. Let me look at it please. (Refers to catalogue) That does not refer to pills at all on page 41, it refers to tablets.

Q. Where does it say tablets?—A. On the top.

Q. Are they more expensive?—A. Evidently they are there; I refer you to the list.

Q. As a matter of forty-five years' experience, do you not know?—A. I do not know about the Cathartic tablets, because I never use them; I always use the coated ones.

Q. If you look there you will see that \$1.15 is quoted for tablets too.—A. Is it?

By Mr. Boys:

Q. I find them quoted at \$1.15?—A. Where I quoted from is the list for pills, not tablets at all.

Q. I am quoting from page 41?—A. That is not for pills.

Q. But tablets?—A. We are discussing pills, not tablets.

Q. And you find there \$2.30 for tablets, do you not?—A. Compound, S.P.C.P. \$1.70, G.T.C. \$1.90 and a little higher up you will find 85 cents.

Mr. HENRY WATERS.

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Q. You are answering everything but the thing I am asking you. Do you not find immediately above the item I refer to \$1.15 for tablets?—A. For tablets, not for pills.

Q. Are not tablets more expensive than pills?—A. They are not.

Q. Why?—A. I cannot explain, but tablets are much cheaper.

Q. Do you not find tablets there, \$1.15, the same as pills?—A. I find tablets here \$1.70.

Q. Do not say no, I know it is there.—A. I want to tell you all about it, that is a one-grain tablet.

Q. The size?—A. It is called a grain.

Q. I am coming to that very point. I am right in that, the \$1.15.—A. For a tablet of a certain strength.

Q. With regard to these pills and tablets it is necessary to know the size and strength of them before you can say whether the price is reasonable or not.—A. If it says, "Compound Cathartic Pills," there is one thing only that answers that description, and that is Compound Cathartic Pills. U.S.P., there is one size only, it must be that size.

Q. That is U.S.P.?—A. Compound Cathartic Pills are U.S.P. always. I may tell you that cathartic compound, U.S.P., cannot be anything else but U.S.P., because it is the official formula.

Q. You assume it, that naturally leads you to that conclusion?—A. Yes it would.

Q. My attention has just been called to the fact that \$1.15 per thousand applies to pills of various strengths. Anyway the point I wanted to make is that before one can be sure that these prices are reasonable or not, you want to know for certain the strength and the size of the pill?—A. I would not want to know it.

Q. You would not?—A. No. If you came in to me and ordered a dozen Compound Cathartic Pills, you would get a dozen U.S.P.

Q. Is it necessary to know the strength and size of the pills before you can be sure the price is fair and reasonable?—A. No, not absolutely.

Q. It is not?—A. No, not absolutely.

Q. I understand then that if I go down to your store and want pills I get the big ones just as cheap as the little ones?—A. You might.

Q. Answer that question, will you please?—A. No, I will not, until you come to buy them, and until I know what you want.

Q. Will you answer that question?—A. What is it?

Q. You know it, don't put me to the necessity of going through it again?—A. I would have to know what you wanted. If you came in and asked me for Compound Cathartic Pills I would give you full strength.

Q. What about the size?—A. Five grains, so called five grains.

Q. What about the larger ones?—A. I never had them.

Q. You never had?—A. I never saw them.

Q. Then there is no difference in the price, whether large or small, because you sell them by the dozen at 10 cents a dozen?—A. Yes.

Q. And there is a profit of 400 or 500 per cent?—A. Probably that; there should be more, the reason we do not demand a good deal more is because I see that the lawyers are contending some of the druggists' prices are a little high.

Q. Am I entitled to leave this proposition by saying that there is no difference in the prices of pills, whether large or small?—A. That is not fair.

Q. Is there? Say yes, if there is?—A. You will have to give me a specific case.

Q. I am simply asking with reference to cathartic pills?—A. Large or small they are the same price by the dozen.

Q. I am not talking about a dozen, but about a thousand?—A. The price of \$1.15? I am buying them much cheaper than that.

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Q. Buying them, large or small, is the price the same?—A. I refuse to answer that question. Magnesium sulphate, that is Epsom salts, is the next item.

By Mr. Kyte:

Q. What quantity of that was sold?—A. 5 pounds at 20 cents, and there was a barrel at 10 cents.

Q. How many pounds would that be?—A. It comes to \$11.20; that was a keg, a 112-pound keg; and the other quantities are 20 cents a pound.

Q. Can you say, without much trouble, how many pounds?—A. There was not very much of it.

Q. What do you say as to these prices?—A. 20 cents a pound is too much; my retail price is 15 cents, and my price in 10-pound lots is 10 cents, for Howard's, the highest grade in the market, for 10-pound lots at 10 cents and in 1 pound lots at 15 cents.

Q. And here is a sale of 5 pounds at 20 cents and 112 pounds at 10 cents?—A. Yes, 10 cents is a fair price, that is not too much if it is Howard's.

Q. But you say that 20 cents is 100 per cent too much?—A. Yes.

Q. What is the next item?—A. Three Winchesters of witch hazel.

By the Chairman:

Q. What is a Winchester?—A. A Winchester is a half gallon bottle—I will have to go back to that one again, if you will allow me.

The next item is 2,000 bichloride tablets.

By Mr. Kyte:

Q. Is this a new item?—A. This is a new item. At \$8 amounts to \$16. The Parke-Davis price is \$4.

Q. Any discount?—A. There is not very much discount for that, leave it at that.

Q. That is just 100 per cent profit on these bichloride tablets?—A. Yes.

Q. Can you say, without much difficulty, how many sales of bichloride tablets were made?—A. I have 8,000.

Q. At \$8 comes to \$64, and it should be \$32?—A. It should be \$32.

Q. That is 100 per cent profit on that. What is the next item?—A. Twenty-five pounds chloride of lime, charged 25 cents, and 25 pounds charged 35 cents.

Q. 25 cents and 35 cents. What should it be?—A. 15 cents is the retail price.

Q. So, taking the both prices charged, that would mean a profit of 100 per cent, an increase of 100 per cent?—A. Yes, it is just 100 per cent.

Q. What is the next item?—A. 2,500 tablets caffeine citrate, 2 grains at \$7.65. The price of that should be \$3.40.

Q. Is that the only item of that kind?—A. I have not time to go over it.

Q. It should be \$3.40.—A. Yes.

Q. That is a profit of \$4.25 per thousand?—A. No, on 2,500, would it not?

Q. Yes, a profit of about 125 per cent. You agree with that, Mr. Watters, that a profit of \$4.25, on a charge that should be \$3.40, represents a profit of 125 per cent?—A. That is about right, about that.

Q. What is the next?—A. I have to go back. Bichloride tablets I find I have 25 pounds of tablets at \$5.10. The list price is \$1.85 a pound.

Q. That is charged 25 pounds at \$5.10 a pound?—A. Yes.

Q. The list price \$1.10?—A. No, \$1.85 per pound per bottle of one pound.

Q. That is \$3.25 a pound profit?—A. Yes.

Q. Nearly 200 per cent?—A. Yes.

Q. Is there any discount off that Parke-Davis price?—A. There is, but that is the price I would charge in that quantity myself if I were selling. The price to the trade does not amount to a great deal of profit; it is \$1.65 and \$1.85.

Mr. HENRY WATTERS.

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Q. If you were selling that item to the Department you would charge \$1.85?—
A. I charge \$2 now to the hospitals in pound lots.

Q. What is the next item?—A. 5 pounds of spirits of nitrous ether at \$2.60.

Q. What is the price of that?—A. \$2.60 a pound—that is evidently a mistake.

Q. Is it excessive?—A. It is excessive for spirits of nitrous ether, but it is not excessive for what would be used for making the spirits of.

Q. There is such an article as that?—A. Yes.

Q. There cannot be any mistake of what is meant by spirits of nitrous ether?

By Mr. Hanna:

Q. How do you know?—A. It states on the invoice spirits of nitrous ether. That should be about \$1.

By Hon. Mr. Reid:

Q. What price was it put in at?—A. \$2.60.

By Mr. Kyte:

Q. There are other items in which the excess is just as great as this. Why did you say this must be a mistake if it is a common incident on these invoices?

Hon. Mr. REID: But in passing on the whole thing, in taking this evidence as you are doing, Mr. Watters made the statement that he could not give correct evidence—

Mr. KYTE: On certain items.

Hon. Mr. REID: Mr. Watters said he could not give correct evidence without having the requisition.

Mr. KYTE: As to certain items.

Hon. Mr. REID: On this very item you are discussing.

Mr. KYTE: There is no mistake as to that item, as to the description of it.

The WITNESS: The words are there quite plainly, spirits of nitrous ether.

By Mr. Kyte:

Q. This is a well-known article?—A. Yes.

Q. By that name?—A. Yes.

By Hon. Mr. Reid:

Q. Why did you make this statement, there was a mistake?—A. The price is too high.

By Mr. Kyte:

Q. It is not higher in proportion than other prices?—A. It is an article any one can verify without much trouble.

Hon. Mr. REID: I have no objection to showing up these profits so long as we had it understood that Mr. Watters should have the requisition to get at the true facts.

Mr. KYTE: You have the requisition in your department.

Hon. Mr. REID: Mr. Watters has stated that in his opinion there is not any evidence.

Mr. KYTE: The presumption is against the party that refuses to produce the document.

Hon. Mr. REID: So far as that is concerned, Mr. Kyte, we have tried to get Mr. Brown, the Director of Contracts, and his officials, who are the only ones that would have these documents, to produce them here.

Mr. KYTE: And he says he did not have them in the department.

Hon. Mr. REID: If you wish a vote of censure on Mr. Brown, why, of course—

Mr. KYTE: It is very fine to conceal a Cabinet Minister behind the shadow of a minor official.

Hon. Mr. REID: We want to get at the bottom of all the facts.

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By Mr. Kyte:

Q. What should that price be?—A. 25 pounds spirits of nitrous ether at \$1.25.

Mr. HANNA: That shows the other was a mistake.

By Mr. Kyte:

Q. Was any deduction made from the account?—A. No.

Q. That account was paid. Will you turn to the bottom of that account, Mr. Watters, and see if it is certified?—A. It says "payment recommended."

By the Chairman:

Q. Who signed that?—A. Major Jacques, is it?

Hon. Mr. REID: (Examining invoice) H. M. Jacques, Major.

Mr. KYTE: So mistakes are paid for as well as goods delivered.

By Hon. Mr. Reid:

Q. William H. Delaney also certified to this invoice. Read that certificate.—A. (Reads) "I certify that the materials or articles charged for in this account have been actually received, and the same are of good quality for service, and according to contract, and that no item in this account has been previously certified by me for payment."

By Mr. Kyte:

Q. Is that put on with a rubber stamp?—A. Yes.

By the Chairman:

Q. Are the signatures with a rubber stamp?—A. No they are autograph. I find an item here $\frac{1}{4}$ ounce of dulcete charged \$36.80.

By Mr. Kyte:

Q. Charged \$36.80?—A. And I don't know what it is.

Q. It must be radium?—A. It looks as if it might be some saccharin, because it is bought along with the saccharin for sweetening purposes, but I know of no article at that price.

Q. Do you know that article at all, dulcete?—A. No, I don't know that at all.

By Hon. Mr. Reid:

Q. If you don't really know it is not fair to attribute error?—A. I can inform myself later on if it is necessary.

Mr. KYTE: We will not make any comment on that.

By Mr. Kyte:

Q. What is the next?—A. 15 pounds olive oil at \$5.25, at the rate of \$1.40 a gallon. Now, 15 pounds olive oil—

Q. Would be $1\frac{1}{2}$ gallons.—A. There are 9 pounds to the gallon.

By Hon. Mr. Reid:

Q. Does it say on the invoice \$1.40 per gallon?—A. Yes.

Q. On the invoice?—A. Yes.

Q. Would that go to show it might be an error in extension? or how do they figure that out?—A. I cannot imagine how they could figure that at \$5.05.

Q. The only point about it is I am trying to show whether it is a mistake in extension?—A. I think it is a mistake in the extension.

By Mr. Kyte:

Q. It is only small, I would not bother with it?—A. It might be an error.

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Q. It might be an error. What is the next item?—A. I find 10,000 tablets of calcium. Now, no one can check that item at \$4.85, and they give \$48.50. There is no such thing as calcium.

By Mr. Hanna:

Q. Is it calcium sulphide?—A. Possibly.

By Mr. Kyte:

Q. What is the proper charge there?—A. The price here is \$4.85.

Q. \$4.85 a thousand?—A. You would have to know whether it was one-tenth of a grain, or one grain, or whatever it was, in order to check, although there is very little difference in the prices.

Q. Would you not say that that item is not properly described?—A. It should go back for rectification.

Q. Before being passed?—A. Before being passed.

By the Chairman:

Q. How do you know that the officer who certified to that account did not get all the necessary explanations?—A. I don't know.

By Mr. Kyte:

Q. There are no such things as tablets of calcium?—A. No such thing.

By the Chairman:

Q. What would there be that sounds like it?—A. Calcium sulphide.

Q. Is that a common tablet in the business?—A. Yes.

Q. If a man came and asked you for tablets of calcium what would you give him?

A. I would give him calcium sulphide.

By Mr. Kyte:

Q. If that means calcium sulphide what should it cost?—A. (After referring to invoices). We have another item here of 6,000 tablets of calcium sulphide, half grain.

Q. How many?—A. 6,000 at \$1.20, \$7.20. The list price for these 6,000 half grain tablets of calcium sulphide is 90 cents, \$1.20 is charged.

Hon. Mr. REID: That is the wholesale price.

By Mr. Kyte:

Q. What would you sell them at if you were selling them?—A. If I were selling them in that quantity I would sell at that list price.

Q. For how much?—A. 90 cents.

By Hon. Mr. Reid:

Q. That is half grain tablets?—A. Half grain.

By the Chairman:

Q. Is calcium sulphide put up in a stronger tablet?—A. It does not make a great deal of difference, the one grain tablet is \$1.

Q. Going back to the olive oil entry. It has been called to my attention that you have sworn there were 15 pounds of olive oil, and it is marked at \$1.40 a gallon, and you say it is a mistake?—A. In excess.

Q. I know, but you have not explained anything about the value of olive oil. What is olive oil worth?—A. \$1.40 is a very low price for good olive oil. That is altogether too low for pure olive oil.

Q. Let us have your idea?—A. The olive oil that I have is \$3 a gallon.

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Q. 15 pounds is about one and two-thirds gallons. At \$5.25 that is rather under \$3 a gallon than over.—A. Oh, the price at \$1.40 a gallon, I was not questioning that at all. \$1.40 a gallon for 15 pounds, that is extended \$5.25, and it should be \$2.40, at \$1.40 a gallon.

Q. You tell me now that olive oil is worth \$3 a gallon?—A. Not this oil.

Q. I said olive oil.—A. The only kind I keep costs me \$3 a gallon.

Q. And you would sell it for more?—A. \$4. a gallon.

Q. So that a gallon and two-thirds at \$5.25 is not an excessive price?—A. \$1.40 is not an excessive price, it is rather under.

By Mr. Kyte:

Q. What do you say about the quality?—A. It is too low for a good quality.

By the Chairman:

Q. A mistake has been made in the extension?—A. Previously there was an item of 10 gallons at \$1.40, which was correctly extended, but this extension at \$5.25 is a mistake.

Q. Evidently that was a mistake.—A. I thought it was when I mentioned it.

Q. But you didn't favour the committee with the fact that olive oil was worth \$3 or \$4 a gallon, did you?—A. Not at all.

Q. You knew at that time what the price ought to be?—A. I assumed that \$1.40 was right.

Q. Although you pay \$3 for it? How many grades of olive oil are there?—A. A great many grades.

Q. Can you buy olive oil at \$1.40?—A. Yes, you can buy at \$1.40.

Q. Why did you assume it was a mistake?—A. If the price at \$1.40 is correct—

Q. Then it was not properly extended?—A. Then it was not properly extended.

By Mr. Kyte:

Q. The question as to whether the price was reasonable for olive oil depends on the quality?—A. Yes.

By the Chairman:

Q. You cannot tell that unless you have the requisition?—A. No.

By Mr. Kyte:

Q. You didn't finish up with this other item about tablets of calcium?—A. Calcium sulphide?

Q. Yes. If these were calcium sulphide, instead of selling for \$4.85 a thousand they should have sold for 90 cents a thousand. Isn't that your evidence?—A. If these were half grain calcium sulphide tablets?

Q. Yes.—A. The list price is 90 cents.

Q. Would you sell them for 90 cents?—A. Yes.

Q. So there is a profit there of \$3.90 per thousand, or 400 per cent.—A. No question about it if it is that article.

By the Chairman:

Q. Is that all?—A. I have one more item, sir, if you will allow me to find it. We have two Winchesters Syrup of Orange, 13 pounds, at \$1, extended \$13.

Q. That would be \$1 a pound?—A. Yes, it should be \$1 a Winchester.

Q. And if it were \$1 a Winchester, it should be \$2?—A. Yes.

Q. And \$1 a Winchester would be right?—A. Yes.

Q. Whether that is an error, or an intentional overcharge, the fact is that the Government is charged \$13 where it should only be charged \$2.—A. Yes.

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Q. And that passed the lynx-eyed examiner of these invoices in Quebec; he made no correction?—A. Yes.

Q. On the same invoice we have 4 pounds of extract of Glycyrrhiza, \$80.88. If that is pure extract of Glycyrrhiza, the long price is \$1.65 a pound.

Q. For which there is charged?—A. \$6.60 at the long price.

Q. Would you sell it for that?—A. Oh, yes.

The CHAIRMAN: That is very hypothetical.

Mr. KYTE: That is how it is described.

By Mr. Kyte:

Q. What could it possibly be—is there anything at all that would correspond with that?—A. No, nothing; as a practical druggist, I would say that that was pure extract of licorice.

Q. Which would be charged at?—A. \$1.65 a pound.

By the Chairman:

Q. Does that name correspond with extract of licorice?—A. It corresponds with extract of licorice.

By Mr. Kyte:

Q. This article is charged to the Government \$80.88, when it should have been sold to the Government for \$6.60?—A. Yes, if it is pure extract of licorice. As a practical druggist, I take it to mean that.

Q. A profit of \$74.28. Now let us see what the percentage is. That is 1,200 per cent. Would you please figure that up?—A. Pretty nearly 200 per cent.

By Mr. Stewart:

Q. Would the examiner not be right in assuming that the mistake was in the quantity rather than in the price? Would you not be willing to admit that the mistake is in the quantity rather than in the price?—A. I cannot draw any general origin of mistakes from the character of the mistakes revealed in this document. I am prepared to throw all the light possible; there is a mistake some place.

Mr. KYTE: In charging too much.

Hon. Mr. RED: It may be a mistake the other way. I have no objection to Mr. Watters putting this as bad as he wishes, but we want to get at the facts. Mr. Watters should give the benefit of the doubt. The mistake may be in quantities. It is going on the records that Mr. Watters admits 1,200 per cent profit.

Mr. KYTE: Why talk about doubt; there is an absolutely plain charge; let the Department investigate it.

Hon. Mr. RED: We will investigate it, but to admit that there is 1,200 per cent profit—

WITNESS: On the facts, Doctor, there is; on the facts before me, there is. If you can give me any other information that will enable me to modify my view of it, I am sure I will be very glad to have it, and so would the Committee.

Mr. STEWART: He does not know what the item means, anyway.

Mr. KYTE: He says as a practical druggist, it cannot mean anything else.

By Mr. Stewart:

Q. Are you not willing to admit that you do not know what that item means?—

A. No. If it is Extract of Glycyrrhiza, as they record it—

Q. No, it is not; it is not written in full; it is abbreviated. The witness cannot say what it means.—A. I can; if it is a correct document I say it is fluid Extract of Glycyrrhiza on oath; it cannot mean anything else. As a practical druggist, I aver that it means nothing else. If you are a physician you know that Glycy. is only the abbreviation, and Glycyrrhiza is the name.

Q. I am asking you a question which you are not willing to answer.

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By Mr. Kyte:

Q. There was one other item, three Winchester of Witch-hazel.—A. Three Winchester, Witch-hazel at \$1.25 a Winchester, which would be \$3.75.

By Hon. Mr. Reid:

Q. Is that a fair price?—A. Yes.

By Mr. Kyte:

Q. It is quite evident that the examiner did not detect the mistake; he has got 3 Winchesters at \$1.25 a pound.—A. It should be \$1.25 a Winchester; that would be \$3.75.

Hon. Mr. REID: It is a clerical error.

Mr. KYTE: It is charged and paid for.

By Mr. Carvell:

Q. Have you heard of any case where those mistakes have erred against the vendor?—A. One case, I believe.

Mr. KYTE: These three Winchester of Witch-hazel are charged to the Government at \$18.75, and paid at that according to the certificate of the examiner of the account, whereas they should have cost the Government \$3.75 only and which shows that the Government paid \$15 in excess of what they should have paid on that item, or nearly 500 per cent, that is right?—A. Yes, that is right.

Q. And those are all the items you have?—A. Yes.

By Hon. Mr. Reid:

Q. Will you tell me the name of the official who certified to the account in which that item appears?—A. (Reads):

“Certified correct, payment recommended, H. M. Jacques, Major. Taken on charge by William Delaney, Lt.-Col.”

Q. Those are the officers, to all appearances, who certified to that account?—A. Yes.

The CHAIRMAN: There is a certificate, “I certify that the material (or articles) charged for in this account have been actually received, and the same are of good quality, fit for service, and according to contract, and that no item in this account has been previously certified to by me for payment.”

Q. Whose certificate is that? Colonel Delaney’s?—A. I cannot say. (reads):

“Certified correct,” by H. M. Jacques, the same one who certified to the correctness of the articles being received.

By Hon. Mr. Reid:

Q. That would be Colonel Delaney.—A. That should be Colonel Delaney.

Q. The certificate as to correctness there is certified by Major Jacques, and payment is recommended by Major Jacques?—A. Yes.

The CHAIRMAN: It says: “Taken on charge by Colonel Delaney, Lt.-Col., P.A.M.C.”

By Mr. Kyte:

Q. I have two or three questions I want to ask as to these first two items that we took up. The first two items that we discussed with regard to prices were the asperin. Have you your memo. there?—A. I think I said 9.000.

Q. What I want you to say is this; you stated that the prices charged over what it should have been was \$107.75 on a purchase that should have cost \$144. I want you to express that in percentage. What was the percentage of profit on the aspirin?—A. What are the figures I gave you?

Q. They should have sold for \$144.

The CHAIRMAN: And they charged \$251.75, leaving an excess of \$107.75 on \$144.

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By Mr. Kyte:

Q. About 75 per cent?—A. About that.

Q. Now the other was wintergreen. I want you to express that in percentage. There was an overcharge of \$105.50 on \$192, the amount they charged being \$297?—A. 55 per cent.

By Hon. Mr. Reid:

Q. You have a statement there, Mr. Watters; what are the total amounts of the items with which you have dealt?

Mr. KYTE: There are a number of other items we didn't go into at all, we simply took a few of the charges, the highest prices.

The WITNESS: There are lots I didn't go into at all.

Mr. KYTE: There are a great many items in that account, and I would like to have the committee understand that we only took some of the highest charges, the greater number of the items were left without consideration.

By Mr. Nickle:

Q. Do I understand that the effect of your evidence is this, that the checking as to the prices was ineffective, and the excessive prices were paid by reason of the failure to have a proper check on the invoices?—A. Yes, if there had been a qualified, trained druggist in the department it would not have happened, and there should be one in the department.

By Hon. Mr. Reid:

Q. I think you have told us two or three times that if you had the requisition before you you would then be in a position to give accurate information, but without it you were not in a position to give the proper prices for the articles named in that invoice.

Mr. KYTE: That applies only to some.

A. Oh, I could not undertake to verify these invoices without the requisitions.

Q. That is what I wanted to know?—A. Oh, yes, I couldn't do that.

Q. Now you say that the invoices should have been checked by a qualified druggist and, as to that, of course, I will not argue. Do you think—I do not know who these men are who certified to these accounts, but if they were duly qualified physicians would they be in a position to check the account?—A. It is questionable.

Q. You do not think that if the department had a qualified physician in charge of the medical stores he would have been able to check the account?—A. No, I do not think he would; he hasn't the training or the experience.

Q. You think it requires a druggist to do that properly?—A. A druggist who has access to all information from all parts of the world.

By the Chairman:

Q. Do you think such an appointee would be required in ordinary times, leaving the war out of it altogether?—A. Yes, in every department of the service that buys drugs there should be a qualified man, a trained man, to buy everything and to certify to its character.

By Hon. Mr. Reid:

Q. You mean that for every article that the Government buys in each department there should be a man in that department who would be acquainted with all those articles?—A. Decidedly, just as every well conducted business office should have a man to do it in the same way.

Mr. HENRY WATTERS.

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By the Chairman:

Q. You are not surprised that this should occur in view of the fact that the Government have not experts on these prices?—A. Not at all surprised.

By Mr. Kyte:

Q. Are you not surprised that an order aggregating some \$23,000 should go to a retail druggist, doing a small business, according to her own evidence, she carried a \$5,000 stock. Are you not surprised that an order of that magnitude should be purchased in this way?—A. I am not surprised at it at all from what I am finding out; it is revolting and intolerable. It is inconceivable that in any well disciplined concern business would have been allowed to be conducted in such a way as the business in this particular instance has been conducted.

Hon. Mr. Reid:

Q. You did not probably hear the evidence of Mr. Brown, who testified that the Department made a contract with this party, similar to the contracts made all over the Dominion; that is that the Army Medical Board meets and fixes prices and then awards the contract, and that the prices in the original contract to Madame Plamondon were fixed by the Council—whether they be high or low they were fixed. Would you think it fair to Madame Plamondon when the camp was started there if the Department asked her to supply drugs at contract prices, that is the price fixed before the war, that she should continue to charge the same price for drugs supplied to Valcartier Camp?—A. I do not know, it would be quite fair for her to charge the price agreed upon, the contract price, if she made that contract. It would be quite fair according to the terms of the transaction based on the way that the business is being done by the Department.

Q. I understand this, that the custom has been, when awarding contracts for drugs for the Army Medical Council of the Militia Department—it is a custom that has been in existence for years—to settle on the prices, and then to give the contract, not only in Quebec but at other places, to the local contractor at the prices agreed upon, to supply any quantity that may be required of each article mentioned, at the price set out in the tender. Would you think that Madame Plamondon, having entered into a contract of that nature, was doing an injustice to the Department if she continued to furnish medical supplies for the Valcartier Camp at the price named in her contract?—A. It would be difficult to answer that question.

Q. You say it would be difficult to answer?—A. Yes, sir.

Q. If you had a contract with the Government stating that you would supply any quantities that may be required of certain articles at prices specified in the contract, would you reduce the price if they told you to send on some of these goods which you had contracted to supply?

Mr. KYTE: Large quantities of them?—A. I do not think I would; unless there were very good economic reasons for it I do not believe I would.

Q. And if a war came on it would not have a tendency to reduce the prices?—A. Oh no.

Q. And if a war did come on you would not suppose it would place this person in a position that she could purchase the goods to be supplied to the Government cheaper?—A. No.

Mr. KYTE: We have evidence before the committee that the prices were increased three times after the war commenced.—A. They were increased a great deal immediately and then sagged down a little.

Q. You took this into account, of course, when you were making your calculations?—A. Always did.

By Hon. Mr. Reid:

Q. The price list you are taking figures from, Parke & Davis, is dated, I think it is stamped on the back, October?—A. October 29, 1914.

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Q. That is a price list showing that drugs advanced shortly after the war?—A. This is the most recent one, this leaflet (exhibiting).

Q. To your knowledge some drugs, many of the drugs, did advance immediately after the war?—A. A good many of them did, and then they came down again.

Q. Then at that time—what is the date of those invoices?—A. Some are dated August 15, August 31, September 1 and September 3.

Q. About that time what drugs advanced?—A. Oh, many of them had advanced, all alcoholic preparations, all glycerinal preparations advanced, a great many of them.

By Mr. Kyte:

Q. You took that into account when you were making your calculations?—A. Yes.

Q. In all cases when you could not ascertain exactly the description of the goods supplied from the invoice, you gave them the benefit of the ordinary price?—A. Yes.

Q. And the best quality?—A. Yes.

Q. How many items did you examine, could you say now right offhand?—A. I should say about 40 or 50.

Q. You just selected 40 out of many hundred?—A. Yes. There were a great many there that I did not touch, because no one could intelligently discuss the items without fuller details than are supplied by the invoices.

Q. But the items, looking casually over the invoices, you could observe that the other items also disclose an exorbitant charge as well?—A. Almost generally, yes. There were one or two cases where the prices were low. In general they were very high.

Q. So it does not follow that those 40 that you refer to are the only ones indicating high charges?—A. Not at all, it would take a week to discuss the whole thing.

By Hon. Mr. Reid:

Q. When Parke & Davis issued their price list on October 29, had prices commenced to come down?—A. I don't think they had commenced—October 29?—It was about December, I think, as well as I can recall.

Q. I understood that they went up immediately, they went up very high?—A. They are going to be high still, individual ones.

Q. I understood they went up very high in August on account of the scarcity, but they commenced to come down in October or the latter part of September?—A. They are very much higher now than in September. Picric acid and acetylsalicylic, and many others are much higher now than in December.

By the Chairman:

Q. Having reference to the dates of these invoices, would it be fair to say that they all came in, and the goods delivered in pursuance of them, during the high-price period?—A. You could not make any general statement in regard to it. It went up in the case of picric acid five times, from 80 cents a pound it is now \$4 a pound; acetylsalicylic acid went up from 75 cents I think it is now \$3.60 a pound.

By Hon. Mr. Reid:

Q. About four times?—A. About four times. The price of alcohol went up because the Government put a dollar a gallon on it, and all alcoholic preparations followed suit, all tinctures and extracts.

By Mr. Carvell:

Q. In your estimate did you take into consideration these increases?—A. I did.

Q. Now, Mr. Watters, there was some mention this morning about some ointments, and, I have forgotten, a number of different preparations?—A. Blue Ointment.

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Q. Yes. And there seemed to be an idea with some of my friends here that they were not sold in bulk, but that they must have been put up in these ounce boxes. You were asked if you saw any charge for boxes I want you to look on this page and see if there is a charge for boxes there (handing invoices to witness)?—A. Eight gross boxes at \$1.50.

Q. What would that be?—A. That might be tin boxes, one ounce tin boxes, about a cent apiece; that is about the right price for one ounce tin boxes.

Hon. Mr. REID: How many in a gross?

Mr. CARVELL: 144.

By Mr. Carvell:

Q. That is over a thousand boxes?—A. Just a little over a thousand boxes, a thousand ounces.

Hon. Mr. REID: Would they be sufficient to dispose of the 25 pounds?

Mr. CARVELL: Yes, 16 times 25. You would have a good many left after that.

The WITNESS: These boxes may have been for that blue ointment and the zinc ointment.

By Mr. Carvell:

Q. Would that in any way tend to confirm your opinion that these goods were sold in bulk?—A. Yes, or otherwise they would not have all the empty boxes.

Q. It struck me that way?

By the Chairman:

Q. That is not chip boxes there?—A. No, it is not chip boxes, it is simply boxes; but the price would lead one to believe it was metal boxes.

Witness discharged.

Mr. JOHN FRASER, Auditor General, recalled.

By Hon. Mr. Reid:

Q. Do these accounts—for instance, the account we have just been discussing—go to your department?—A. Yes.

Q. Does your department check them over?—A. We do the best we can with them.

Q. Will you tell me how these mistakes go through?—A. These are not checked yet.

Q. This is a September account?—A. We are only getting them recently.

Q. This one has not been checked by your department yet?—A. In the face of the evidence here to-day, I do not see how we could check it without an expert druggist.

Q. I am not talking about that. But here is a case that was mentioned perhaps—have you heard the evidence?—These three Winchesters at \$1.25, if extended it would be \$3.75, but it is extended \$8.75?—A. Our people ought to detect that when they come to it.

Q. It has not come to your department yet?—A. Not for checking.

By Mr. Nickle:

Q. Are these accounts paid?—A. Yes, they are all paid.

Q. What is the use of checking them after they are paid?—A. The whole of the war vote is paid before the vouchers come to us.

By Mr. Kyte:

Q. You did not get the cheques until recently?—A. Some of them.

Q. This is some of the correspondence referred to this committee.

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By Mr. Carvell:

Q. What was the amount paid to Madame Plamondon (handing cheques to witness)?—A. \$23,485.94.

Q. And was that paid on the invoices which we have had under discussion this afternoon?—A. I presume so, I think so.

By Hon. Mr. Reid:

Q. Were these cheques issued by you?—A. No, by the Department.

Q. These cheques were issued, they were paid on August 12, 1914, September 5, 10, and 22, November 9, and so on. Do I understand that the accounts that were paid in September last for those items have not reached your Department as yet?—A. Some of these accounts are there now, are they not?

Q. I don't know whether they are or not.—A. These cheques have reference to those accounts.

Q. These accounts, you say, have not reached your Department yet?—A. Oh, yes, they have reached us, we brought them here.

Q. Tell us when they reached your Department.

Mr. CARVELL: One cheque might cover half a dozen different accounts but they all correspond.

By Hon. Mr. Reid:

Q. Take that account there with \$18 of a mistake. When did that reach you?—A. I could not tell.

Mr. STOCKTON: Approximately three months after they were paid.

By Mr. Nickle:

Q. Does your Department stamp these things when they come to you?—A. No.

By Mr. Kyte:

Q. You have not all the invoices yet for Madame Plamondon, have you?—A. I see a memo. here, in two cases no voucher received.

Q. So they did not receive the invoices.

By Hon. Mr. Reid:

Q. What I was trying to find out is: there is a mistake of \$18, and I took it for granted these are all checked.

By Mr. Nickle:

Q. I would like to understand what the systems of your Department is. As I understand it, the officer in the Militia Department who receives the goods certifies to their receipt.—A. The officer in the Department purchasing.

Q. The officer in the Militia Department that gets the goods certifies as to their having been received?—A. Yes.

Q. And certifies as to the prices being fair and reasonable. Then do you check the prices again as to whether they are fair and reasonable?—A. Not in all the accounts. We could not tell the prices.

Q. How did you happen to do it in the Powell case and not do it here?—A. I made some tests.

Q. Do you always make tests?—A. Not in all the accounts. In that case I told my officials who were examining those accounts to inform me if the purchases had been made at retail prices or bought from small dealers, if there were any cases of that sort, to let me know. They brought these accounts to me and there were a number of other purchases of the same sort. I began to make tests on them to see whether we were getting wholesale or retail prices; the amounts were large and I thought it was necessary to take that precaution.

Q. Others were large too.—A. The Plamondon accounts?

Q. Yes.—A. Yes, but I have not covered the whole of the accounts.

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Q. Have any of your officers?—A. They will be working on those next.

Q. Are all these accounts paid before they come before you?—A. Yes, months before.

Q. What is the use of having a lock on the door after the horse has gone?—A. Nothing, except to do what I am doing, call attention to it in my report.

Q. It only protects the country in so far as we may be guided thereby in evolving a better system.—A. I might explain that the whole of the auditing is not done in that way. We have an audit before payment and an audit after payment.

Q. I want to understand how you do it?—A. Take the Department of Public Works and the Department of Railways and Canals. Those are two very large spending departments where a great deal of the work is done under contract. Expenditures by those departments are audited before payment on contracts, and all that sort of thing. We can deal with them rapidly enough to enable the departments to make their payments within reasonable time.

Q. Why was that not done in this case?—A. Because the expenditure of the Militia Department has always been audited after payment.

Q. But why?—A. I have no control over that part of it.

Q. You are the Auditor General; are you not?—A. Yes.

Q. And you are supposed to protect the public as between the vendors and the Government? Surely that can be answered yes or no without much explanation?—A. That is a broad statement.

Q. Then you are not supposed absolutely to protect the public?—A. I do the best I can.

Q. Why cannot you do better?—A. One reason possibly is because the expenditure is audited after payment.

Q. Why should it be audited after payment?

The CHAIRMAN: Because it always has been done.

A. That is not a good reason.

Q. That is what you said a moment ago, it always has been done?—A. In the first place it is not possible unless we increase the staff of the Audit Office very largely.

Q. That is what I want to get at. Why cannot that staff be increased?—A. If the Government, or Parliament, will give us money enough to provide a staff large enough to handle all the accounts within the time, and audit them before payment, it is not a physical impossibility, it can be done.

Q. I have only been in Parliament three or four years. Now, in any of your annual reports have you recommended to Parliament that your staff be increased, and drawn the attention of Parliament to the fact that the accounts of the Militia Department are paid before being audited?—A. No, but I made a demand in connection with this war vote.

Q. I am not talking of the war vote, but of the expenditures of the Militia Department?—A. No.

Q. Have you ever directed the present Government's attention to the practice that was in vogue?—A. No. It is the same practice that has been followed since the Audit Office was established.

Q. Would you mind explaining to me why, as Auditor General as the watchdog of the Treasury, you have not done this?—A. I do not think it is part of my duty to instruct the Government how their business should be done in that respect.

Q. Do you approve of the system in vogue in your Department?—A. In some respects, yes.

Q. Do you approve of the Militia Department accounts being paid before being audited?—A. Well, it depends on the class of accounts.

Q. Do you approve of the Militia Department accounts being paid before being audited?—A. Do you mean the war vote or the whole of the accounts?

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Q. I am not hairsplitting. I am trying to get down to principles?—A. I think it would be better.

Q. I am not asking whether it would be better or worse, do you approve of the Militia Department accounts being paid before being audited. Surely you can say yes or no to that?—A. It is a little difficult to answer the question the way you put it. Perhaps I had better answer it in this way. I have been appointed to carry out the terms of the Audit Act as far as I can.

Q. You are the expert of the Government. We members of Parliament who are responsible to our constituents, look to you to protect the people as between the Government and the vendors to the Government. Now, I ask you as an expert, do you approve of any Government Department paying accounts before they have passed your Department?—A. Yes.

Q. Why?—A. For business reasons, economic reasons.

Q. If that is true of the Militia Department why is it not equally true of the Department of Railways and the Department of Public Works?—A. Because those Departments have large contracts under which progress estimates come in every month, which we can check up very rapidly within a few hours, perhaps in less time than that, and enable payment to be made to the contractor without any delay.

Q. Then I understand in the case of the Militia Department you think the accounts should be paid before you audit them?—A. Yes.

Q. Then what is the use of auditing the accounts after they are paid?—A. To see whether they are correct or not.

Q. If they are wrong, what is the remedy?—A. To report.

Q. What is the good of reporting after the money is gone?—A. That is not for me to say, it is for the House to say.

Q. How does the House know it?—A. Through my report.

Q. That is the only way?—A. That is all.

Q. Have you ever made a report against this system?—A. Not against the system.

By Hon. Mr. Reid:

Q. Or suggested any better system?—A. No, I have not.

Q. You have never made any suggestion at all in the matter?—A. No. If you will stop to consider the volume of business that is done by the Government, that large amounts of these payments are made away from Ottawa at the different—

By Mr. Nickle:

Q. I am only speaking as a private Member of this House, and it strikes me that it is an extraordinary position for the head of your Department to take, that you cannot devise any machinery to protect the people so that the accounts can be audited before they are paid, and that you say the only remedy the people have is to grin and bear it after these irregularities occur.—A. The matter has been considered in the past. I recollect a good many years ago when I was in the Finance Department, the question was considered then of establishing a Paymaster General's office for the whole Dominion.

Q. Now you say the reason you make this report is that things may be bettered in the future?—A. That is the object of my report.

Q. The reason that this correspondence, which you communicated to the Government, is brought down, is in the hope of an improvement?—A. I did not bring it up, it was called for in the House.

Q. Exactly. But why did you correspond at all about it?—A. With the Department?

Q. Yes.—A. To try to remedy matters.

Q. How are you going to remedy them if you do not establish a system with that object in view? Have you any system devised for improving the administration of the Militia Department in regard to the purchasing of articles?—A. No, I have nothing to do in regard to improving the administration of the Departments.

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Q. Then, as an expert, you cannot help us at all? We may be sitting here next year investigating a new crop of irregularities possibly, and you cannot tell us how to better it?—A. It is pretty big question.

Q. And you are a pretty big man, because you are the head of the Audit Department.—A. You have a bigger opinion of me than I have of myself.

By Hon. Mr. Reid:

Q. Here is an invoice for some of these goods that have been supplied by G. P. Plamondon. There is an item of 3 win. witch hazel, \$1.25 per pound, extended at \$18.75, which to all appearances is a clerical error.—A. It looks like it.

By Mr. Kyte:

Q. That was paid on November 12; and I understand the accounts were received by you about the middle of February. Those accounts will be checked by you when?—A. Before our report is compiled.

Q. And if there are any clerical errors you draw the attention of the Militia Department to them?—A. Yes.

Q. But that is after the account has been paid?—A. Yes.

By Mr. Nickle:

Q. You said that some years ago when you were in the Finance Department, this matter of bettering the audit system was discussed?—A. Yes.

Q. When was that?—A. I can hardly give you the year, I think Sir George Foster was Minister at the time.

Q. Can you tell us what the result of the discussion was?—A. Well, nothing was done.

Q. Was it held to be incapable of being carried out, or was the fact that nothing was done due to lack of interest?—A. I don't know.

Q. That was before 1896?—A. Yes.

Q. Then from 1896 to 1911 was there any discussion, or any method adopted, to improve conditions, so far as you know?—A. In some minor ways.

Q. I mean in the way of a radical scheme of betterment?—A. The only thing that I can recollect is the system of checking Bank accounts.

Q. When were you appointed Auditor General?—A. 1905.

Q. Since this Government came in have you reported to them directly, not through the blue book, suggesting any betterment of the existing method?—A. No.

Q. How can your Department check these accounts unless you have expert assistance?—A. We cannot.

Q. Then do I understand that you, as the head of this Department, admit to me that the whole system has crumpled up because nobody was big enough to lift it. Is the Department no better than an adding machine?—A. Oh, yes.

Q. Where is it better?—A. I think the results before this Committee show that.

Q. You say you cannot check these accounts unless you have expert advice in your Department. Has that been going on since 1896?—A. Mr. Nickle, I will have to make a remark here, for which the former Auditor General was called into account, and perhaps I will be called into account too. He stated to this Committee that he had been trying to remedy matters, that he called attention to things year after year in his report, and I am not going to confirm the balance of it. He said: "Gentlemen, you have not done your duty, you have paid no attention to my reports."

Q. Have you done your duty when you say you have not drawn attention to it?—A. I have drawn attention to numerous things in my report.

Q. Have you drawn attention generally to the inadequacy of the system that is in vogue in the Department of the Militia?—A. I do not think the system is inadequate.

Q. You told me you could not check the accounts because you have not expert assistance?—A. The assistance is sufficient to carry out the wishes of Parliament as expressed in the Audit Act.

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Q. Is the staff in the Audit Department sufficiently strong to efficiently protect the public from improper charges and irregularities of administration? Surely you can answer that yes or no?—A. I do not wish to give a yes or no answer to your question. That would require an explanation.

Q. Let us have the explanation.—A. The system is not sufficient and the audit office cannot protect the public except to a certain extent. In the first place, we have not the making of the contracts or anything to do with administration. That is where the trouble lies, not in the audit.

Q. You only check as to whether or not value is given.—A. To some extent.

Q. Then you practically admit that the system is inadequate?—A. No, I do not want to admit that.

Q. I know you do not, but do you not indirectly admit it by the method of your answer?—A. That would require some qualification. We would require such a numerous staff of experts that we would have to duplicate practically the whole system. The officials in the different Departments are supposed to make some examination of the accounts before paying them themselves.

Q. Some of these cases you have brought to light.—A. Some of them, yes.

Q. In the Powell case your Department took action?—A. Yes.

Q. Now, if you can get after some of these people, why can you not get after them all?—A. In accordance with the requirements of the Audit Act these purchases are certified to by the Militia Department to be fair and just. Now, we cannot possibly have the expert knowledge to tell us whether they were or not.

Q. But in the Powell case you were able to find irregularities and report?—A. Yes, to the Militia Department.

Q. Here is another account that apparently slipped by you easily.—A. I do not think that is a similar case.

Mr. NICKLE: I cannot make the distinction; perhaps it is my inadequacy.

WITNESS: I would be only too glad to go on any committee or commission to assist the Government in devising a better system, but you must recognize that I am not an administrator; I have no administrative powers.

By the Chairman:

Q. I think Mr. Nickle's questions naturally led to the inference that you are a central factor in the Audit Department, and more or less an expert upon Governmental auditing. You have seen in your experience through a lengthy period of years many things that would commend themselves to your judgment for the betterment of the service, and he complains that you have not reported any general scheme which would save the country against just such things as are alleged to have occurred daily for the past number of years. Are you frightened to speak your mind?—A. No; perhaps I was not fair to myself. There are very frequently small changes, but I do not consider these as being in the way that Mr. Nickle was speaking of. Whenever we see a weakness in the system, we call the attention of the Treasury Board and perhaps make a suggestion of a better way, or, a suggestion to try it in some other way.

Q. If I understood your evidence, in the Powell case you went yourself and visited different establishments to get prices?—A. No, sir.

Q. Did you not say that?—A. No.

Q. I thought you said that you went yourself or that someone from your Department went?—A. No, not in the Powell case. Mr. Garland asked me the question if it was my custom to do that sort of thing.

Q. I think I recollect—I am subject to correction—that you said you went to get different prices in some case?—A. I got the prices in the Powell case.

Q. That is what I asked you.—A. I got that from the Customs officials.

Q. You went also to mercantile institutions?—A. Not in the Powell case.

Q. In some case?—A. I met a man on the street and I happened to talk to him of clinical thermometers.

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Q. Have you done anything of that kind in the Plamondon case?—A. No.

Q. Why?—A. I cannot cover the whole ground that way; we have \$150,000,000 of expenditure.

Q. You have no staff to cover the ground?—A. I would require a large staff of private detectives to do that.

Q. Do you not think you need a few?—A. I think I could utilize them.

Q. Did you ever ask for them?—A. No.

By Mr. Garland:

Q. Mr. Fraser says that he had a talk about clinical thermometers; it is a wonder that he did not notice these accounts?—A. I do not see all the accounts.

By Mr. Fisher:

Q. When, after a man has been paid, and your department finds an overcharge in the extension or additions, what means have you of securing a return of the money so overpaid?—A. We write to the department concerned and ask them to recover, and you will see in different parts of the report—

Q. Do you not think that would show the necessity of having an audit before paying the account?—A. If it was practicable. Plainly, I do not believe it could be operated unless you went through the department and saw the volume of business done and the immense number of purchases.

By Mr. Smyth:

Q. If the money cannot be recovered, it is a loss to the government?—A. Yes.

Q. If there was a loss of \$5,000 in this account, that would pay the salaries of officials to check the accounts?—A. It would.

Q. That would be a better system than losing the money?—A. Yes, and I have not any doubt that there is more that we have failed to recover. I have called attention in my last report—I put it prominently in the report, so that it would attract the attention of Parliament—to a very large expenditure which I refused to allow in the accounts. Up to this point, no notice has been taken of it in the House. It has not been authorized, and yet it appears in the balance sheet of the Finance Department as an asset.

Mr. KYTE: I want to read a letter from the official files which explains the reason why this account was paid so promptly. It is dated 13th August, 1914. (Reads):—

“Dear Sir,—

Re account for \$800 due to Mrs. G. P. Plamondon. I have received your letter of the 1st inst. A duplicate of account was sent several days ago to the department. Will you oblige me by paying this amount as soon as possible.

Yours very devoted,

Mr. J. W. BORDEN,
Accountant general,
Department of Militia,
Ottawa.”

ALBERT SEVIGNY.

Then on 1st September, 1914, there is a memorandum from Mr. Borden (reads):—

Kindly see if the account spoken of in Mr. Sevigny's letter, page 137, is in your Branch, and if so, what are the chances of its being recommended for payment soon? It is understood from the D.G.M.S. that this amount includes a few small items for medical stores, but the greater part of it is for veterinary drugs.

Please hasten the preparation of this account for payment.

J. W. BORDEN,
For the A. & P.M.G.

Mr. JOHN FRASER.

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There is added the memo. (reads):

Account herewith recommended for payment.

This shows that payment was urged.

Witness retired.

Committee adjourned.

EVENING SITTING.

HOUSE OF COMMONS,

COMMITTEE ROOM No. 211,

FRIDAY, April 9, 1915.

The Committee met at 8 o'clock, p.m., Mr. Morphy presiding.

The CHAIRMAN: I want to give this gentleman an opportunity to make an explanation to this Committee before we proceed with the other evidence.

Mr. WILLIAM Y. DENISON, called, sworn and examined.

By the Chairman:

Q. You are a resident of Ottawa?—A. Yes.

Q. Carrying on business as accountant and assignee?—A. Yes.

Q. Under the firm name of Denison & Holcomb?—A. Yes.

Q. I understand you desire to make a statement, in your own interest, before this Committee, in reference to a certain receipt dated the 22nd of April, 1912, signed by J. H. McQuarrie, given in dealings between him and the firm of Wylie Limited, of Ottawa?—A. Yes.

Q. What statement do you wish to make?—A. Owing to the fact that the newspapers have been publishing accounts of that particular investigation stating that when this receipt was taken, that it was put on the fyles of Wylie Limited, and that these fyles were sent to our office, the impression has got around that the fyles came to our office immediately, and that the receipt was in our possession, and that it was taken from our office. The fact of the matter is that Wylie Limited office was on Albert Street on the same floor as the public garage. There was not even a private room or a railing around the office and the chauffeurs and customers, and all the people doing business with them and the men in their garage were in the same room. In one corner of this room were kept the fyles, which, I presume were the fyles referred to on which the receipts were placed. The receipt being dated April, 1912, that date is, as near as I can remember, about two years prior to the time when these books and correspondence were sent to our office, so that for about two years after we certainly did not have any Wylie Limited books or records or anything belonging to them in our office.

Q. Two years after that?—A. After the date of the receipt. So that during that period of about two years we had none of their records in our office at all, consequently we would not be responsible for them during that time.

Q. After the two years had expired do I understand that the fyles, receipts and vouchers were sent over to your office?—A. Their whole office outfit, including the furniture was sent to our office. One fyle was labelled "Correspondence" and the other "Vouchers", and those were put in our storeroom, not even in our office proper, because we had so much other correspondence, vouchers, etc. belong to other firms.

Q. Had you ever seen this receipt in question?—A. No, sir.

Q. Were any specific instructions given by Wylie Limited as to the care you were to take of those fyles?—A. None whatever.

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Q. Was it gratuitous, or were you paid for the custody of the documents?—A. We were paid for the work we did for them in winding up the business, but not for the custody of the documents.

Q. When was the first you heard of this receipt?—A. When it appeared in the *Evening Journal*.

Q. During the progress of this investigation?—A. Yes.

Q. And you have come here for what specific purpose?—A. A great many of our clients and friends have asked me about it and have enquired if I have taken any steps to correct the impression which apparently prevails concerning it, and I said no. Only yesterday a solicitor asked me if I were taking any steps in the matter and advised me to do so and to explain that none of the papers came into our custody for two years after the receipt was given.

By Hon. Mr. Reid:

Q. Was that receipt in your possession?—A. I do not know.

By Mr. Davidson:

Q. How long have the fyles been in your possession?—A. Since the beginning of 1914, or the latter part of 1913.

Q. Who had custody of these fyles while in the possession of your firm?—A. Nobody, they were put in the storeroom.

Q. Is that the way you keep all your papers?—A. No.

Q. Is that where you kept all the Wylie papers?—A. No, it was not; all the papers of any account we keep in our own office.

Q. Would not these fyles be of importance?—A. They would be but not to the extent that cheques were perhaps, but there were so many of them it was impossible to keep them in our office because, at the same time, we were carrying on work for many firms.

Q. Was there any particular member of your firm whose duty it was to look after the papers?—A. We had no one especially looking after them at all; the reason they were sent there was that we had instructions to take over all their papers and furniture and wind up the estate, and pay off all liabilities. In doing this it was necessary to refer to the fyles from time to time in order to look up various matters, and we did refer to them occasionally as we wanted information.

Q. After the fyles came into your possession anyone might have access to them?—A. No one could, unless they got into the storeroom.

Q. And that was private, was it?—A. More so than the office because ordinarily we would not have occasion to go into the storeroom at all.

Q. Who is the other member of your firm?—A. Mr. Holcomb.

Q. Neither you nor he had any occasion to look after these?—A. Absolutely we had no occasion to.

By Hon. Mr. Reid:

Q. When were these fyles handed over to you?—A. Two years after the date of the receipt.

Q. Mr. Wylie left the impression on me that these letters had been delivered to your firm and that someone had abstracted them from your firm. Now who are the persons who would have access to them?—A. Our entire staff would have access.

Q. How many have you on your staff?—A. At that time we were seven.

Q. What were the names?—A. Sorley, he was in the office all the time of course, Dewhurst, Barker, Pearson, Ebel, Stanley, Mr. Holcomb and myself, that would be eight.

By the Chairman:

Q. Have you any girls in the office?—A. None whatever.

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By Hon. Mr. Reid:

Q. Eight. If that receipt was taken from your office it would only be one of the eight who would have access to it.—A. Oh, no, because I had, for instance, the transfer man bringing papers, etc., from other firms and he would go into the storeroom to put them there, and the furnace man had access to that storeroom as well.

Q. Now, when these Wylie papers were sent to your firm I suppose it was for the purpose of winding up the estate?—A. Yes.

Q. Who would go over these fyles?—A. They would not be gone over at all.

Q. Would these men coming in on transfer work be allowed to take any estate papers?—A. They would not even be allowed alone in the room.

Q. Who would be the ones that would really have access to these papers?—A. Well, if anybody got into the room, in case they would have access to it, one of our staff would go to the various fyles according as they wanted information. If we want to settle a certain account, before staring in on it we would want to see what correspondence passed, and we would go to the fyle and read it through.

Q. What is your belief so far as this receipt is concerned?—A. That it never came to our office at all.

Q. That it was taken from Mr. Wylie's possession?—A. I would not say that. The only statement I feel like making is that that receipt never was in our office.

Q. Then it must have been in Mr. Wylie's?—A. Yes.

Q. It either came from Mr. Wylie anonymously, or from your office?—A. It may have been lost on the street coming over.

By Mr. Rhodes:

Q. So far as you know, it may or it may not have been. You are only guessing?—A. I am only guessing; I don't know whether it was on the fyles at all.

Hon. Mr. REID.—At all events, it is here, and that is all we know about it.

By Mr. Edwards:

Q. Is your reason for stating you do not believe it ever was on the fyles because you do not think it could be take away without your knowledge?—A. I do not see how anybody could possibly find it. They would have to go through three rooms to get to it. then, if they got to the files, I don't see how they would know how to find it, unless they looked in the index.

By the Chairman:

Q. Has Mr. Wylie been in the habit of going down there to look for his papers?—A. Yes, he has been in the office several times.

Q. Has he been in lately?—A. Oh, yes, he is in and out all the time.

By Hon. Mr. Reid:

Q. Had he any opportunity for getting hold of this?—A. He would not know where they were.

By the Chairman:

Q. He could easily ask any clerké—A. Yes, he could.

By Mr. Blain:

Q. Had you any conversation about this receipt?—A. No, I never knew it existed before.

Q. When did it come to your notice?—A. When I saw it in the newspapers the other day.

Mr. CARVELL: I would like to say that I do not blame you for coming here, and I am the gentleman that produced the receipt. I did not understand Mr. Wylie to really cast any reflections upon your firm.

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The WITNESS: I don't think he intended to, and the official evidence would not indicate it, but the unfortunate part was in the reporting of it, which was only partial, and which left that impression around town. It was through so many speaking about it I was prompted to come here.

Hon. Mr. REM: I don't think there was any reflection cast on anybody. The receipt turned up here. That is all there is to it. It is all right.

Mr. BLAIN: You have no new information, Mr. Carvell, as to where it came from?

Mr. Carvell: None whatever. That receipt came through the mails anonymously without any covering letter.

The WITNESS: Would you mind saying when it came to you?

Mr. CARVELL: Some two or three days before the matter came up in this Committee, very recently.

Mr. RHODES: About three weeks ago.

Mr. CARVELL: It was about two days before the first reference to it here.

The WITNESS: Was the envelope in handwriting or typewriting?

Mr. CARVELL: Handwriting.

The WITNESS: Did you keep it?

Mr. CARVELL: No, I threw it away. There was a postage stamp on it. Since then I have got something like a dozen of these anonymous letters; and I keep the envelopes now. I got one to-day. I wish I had that envelope; I did not think about it at the time.

Witness discharged.

Mr. CARVELL: I want to make a statement which I think I should make as one member of the Committee taking a somewhat active part in these investigations. It is well-known that we asked for Returns some time ago. Today a large number of Returns were laid on the Table of the House, among them copies of a Return, for kit bags, 102,000 articles; cotton shirts, 185,000; flannel shirts, 361,000; woollen shirts, 202,000; woollen drawers, 367,000; forage caps, 210,000; oliver equipment, 95,000; saddles 10,000. Now, as we are talking about anonymous letters, I have some letters here. Here is one asking me to investigate the Hugh Carson contracts, regarding saddlery, I presume. I have another here that I received today—of course, I am not going to read these, because I don't think it would be fair—but it is with reference to the Oliver equipment; and I have another one something about surgical supplies. It is with reference to a name that has not been mentioned here, and therefore I do not want to mention the name, but I am willing to show the letter to the Chairman. If we attempted to investigate all these matters—and, of course, these are only a few of them that have been brought to my attention—we would be here for a month; and I don't want to be in the position of trying to play to the galleries or anything like that. I think if there is a probability of proroguing we should agree, as business men, to bring our work to a finality; if there is no prospect of prorogation, we should go on. I hope the Minister and the Committee will accept this offer in the spirit in which it is given. If you think, or if the Government think, the House will prorogue on Monday, I think the time has come to come to an agreement. I think we can finish up the matters now under discussion without taking up new ones.

Hon. Mr. REM: I want to say with reference to these several matters, Mr. Carvell has mentioned that, without going into them at all, there is no evidence to show there is anything wrong, so that I quite understand Mr. Carvell does not wish to make that statement. But I also want to say that so far as going into these, or any other matters in connection with the Militia, or any other Department, the Government are not only willing, but anxious to go into them from start to finish and get the true facts out in order that if there has been any wrongdoing, either restitution shall be made or prosecution be undertaken, to put matters right. As Mr. Carvell has stated, the business of the House is practically done. I was in the House a few minutes before six tonight

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and understood from the discussion that took place that they are going to finish up all of the Estimates tonight and I think but one Bill remains on the Order Paper, and that will probably be put through tomorrow, so that if the House were to remain in session there would really be nothing for it to do but investigate these matters in the Committee.

Mr. CARVELL: That is my understanding.

Hon. Mr. REID: I feel that it is the unanimous wish of members on both sides of the House that prorogation should not be delayed beyond the first of next week if all other business is completed. So far as these matters under investigation are concerned, or any others in connection with the Militia or any other Department that have been brought out here, it is the intention of the Government to further the investigation and get to the bottom of every matter. We will follow this investigation from now on until we see exactly whether there are any other matters where there has been any wrongdoing. Of course, I think the members of the Committee, and the members of the House, feel that there was a great rush at the outbreak of the war and for some little time afterwards, officials were overworked; and perhaps some things have been done that were not really right. But that has not been confined to this country. Similar things have occurred in other countries. The United States, Great Britain, Austria and other countries have gone through similar experiences.

Mr. CARVELL: I hope not similar.

Hon. Mr. REID: If the honourable member reads the public journals he will see that in France and in Austria similar occurrences have happened.

Mr. PROULX: Not in France.

Hon. Mr. REID: I think there was an official in France brought to task.

Mr. PROULX: One man was convicted for stealing some military stores.

Hon. Mr. REID: That bears out my statement that similar irregularities have occurred in France. I wish to say to the Committee that there is not the slightest desire on the part of the Government to stop these investigations. We would be quite willing to continue as long as might be necessary, but honourable gentlemen do not wish that, especially in view of the expressed intention of the Government to continue to investigate to the utmost any further irregularities that may be brought to their attention.

Mr. KYTE: There are several matters referred to in the Auditor General's correspondence, that have not been taken up. I would like to make it perfectly clear that we have not completed what we set out to do in respect to these investigations, owing to the lateness of the Session and the apparent impossibility of taking these matters up.

Hon. Mr. REID: I quite admit that, but I want to have it also understood that it is not the Government who are responsible for stopping any investigations.

Mr. CARVELL: I thought we had put that very plainly.

Mr. KYTE: That is perfectly understood.

Hon. Mr. REID: We are all anxious to pursue these investigations to their legitimate conclusion.

Mr. KYTE: There are many things that have not been investigated, and it must be understood that we are not desisting simply because there is nothing more for us to do.

Hon. Mr. REID: I think Mr. Kyte and Mr. Carvell will agree insofar as the Government side are concerned, that we have assisted in every way to get at the facts in connection with the investigations that have taken place up to the present time.

Mr. CARVELL: That is quite an order. However, we are not finding fault.

The Committee adjourned.

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HOUSE OF COMMONS,

Room No. 211,

SATURDAY, April 10, 1915.

The Select Standing Committee on Public Accounts met at 10 o'clock, a.m., Mr. Morphy presiding in the absence of Mr. Middlebro, Chairman.

The Committee proceeded to the further consideration of "Sessional Paper numbered 122 of the present session of Parliament and all other papers in relation thereto, being copies of correspondence between the Auditor General and the Department of Militia and other departments of the Government laid upon the Table of the House in respect to expenditures under the War Appropriation Act," referred to them by the House.

JOHN L. GARLAND called, sworn and examined.

By Mr. Carvell:

Q. Mr. Garland, you are a member of, or head of the firm of John M. Garland, Son & Co.?—A. I am the president.

Q. Do you take an active part in the management of the business?—A. The usual active part of a president. I do not pretend to run every detail, you know.

Q. Do you do the buying?—A. No.

Q. Who does?—A. We have six buyers.

Q. Buyers for each department?—A. For each department, six of them.

Q. Did you furnish any goods to Mr. McClenaghan, or The 2 Macs, for the preparation of the housewives?—A. The 2 Macs are large customers of ours, and we furnished some of the goods for this housewives order.

Q. And at the time that you furnished them did you know they were for that purpose?—A. Yes.

Q. I only want to designate the goods so there will be no doubt about it?—A. We know.

Q. What class of goods did you furnish them?—A. We furnished them yarn, linen, thread, buttons, needles, safety pins, frieze.

Q. Frieze, that is the cloth?—A. Yes.

Q. Did you furnish them with darning needles?—A. Yes.

Q. And also the papers of needles?—A. Yes, I think so, I have the samples here (produces samples).

Q. I have one of these housewives here containing yarn, safety pins, needles, darning needles and buttons—

Hon. Mr. REM: And thimbles.

Q. Did you furnish thimbles?—A. Yes, sir.

Q. We have the samples here of everything, which you can examine if you wish. Will you produce copies of your invoices to The 2 Macs?—A. I can only produce some of them. I have only had time to have some of them made out (producing invoices). The balance I can have by noon to-day. The men are working on them now.

Q. I find that these are dated August 20th, 1914, all round the month of August.—A. They are dated when the goods were delivered. It covers quite a length of time.

Q. I suppose of course you have got the original invoices, these are copies?—A. These are copies from our sales book.

Q. Let us take linen thread, what did you charge for linen thread?—A. \$2.80 apparently here.

Q. For what, a pound?—A. Yes, a pound, \$2.80 a pound for that lot. It would be probably different lots because the price would vary as the market fluctuated.

Mr. J. L. GARLAND.

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Q. If you have any other prices let us have them.—A. I do not know that the prices would vary, because if I remember correctly, we gave them a price. They came to us and said, "We want a tender for housewives and we want to get a price on them."

Q. You gave them a price?—A. Yes, their man went to the different heads of departments and got their price, because I remember for some of the stuff we paid more than we sold it to them for in order to make up the quantity.

Q. What was the discount?—A. It is marked on the invoice, 5 off 10 days, 4 off 30.

Q. Did they take advantage of the discounts?—A. That is a mistake, it should be 4 off 10 days and 3 off 30. This is the wrong stamp, they have got the Quebec terms. It should be 4 off 10 days or 3 off 30. They did not take advantage of the discount.

Q. No?—A. They did not.

Q. Did they pay you these prices net?—A. Yes.

Q. Then they paid you the net price of these invoices?—A. Absolutely.

Q. Was there any secret commission or reduction in price to them?—A. Not any whatever.

Q. Then they actually paid you the prices which you have charged them in these invoices?—A. Actually paid the prices. That is exactly what they paid.

Q. Will you tell me how many of these small skeins would be required to make up a pound (handing material to witness)?—A. I have not the least idea. Possibly our buyer in that department, Mr. Dalglish, might be able to tell. Whoever telephoned me last night said that if one of us came up it would be all that would be required.

Q. I gave in three names, but I said possibly one might do as well as the three, so that no blame attaches to your firm on that account. You also sold yarn to The 2 Macs?—A. Yes.

Q. Is this which I hold in my hand a sample of the yarn (handing yarn to witness)?—A. (After examination) Yes, I think that is the same thing.

Q. What did you charge them for yarn?—A. Unless I have the invoices here I cannot tell you that. We just charged them the regular price we would charge any other merchant who asked us for a quantity. There are no invoices of yarns here, and unless I have them I cannot tell you that.

Q. We will have to have invoices.—A. I think by about 12 o'clock they will be able to complete them.

Q. I cannot get very far unless I have them.—A. If you want information with regard to quantities, and that sort of thing, technical information, what you have got to have is the manager of the department, the buyer.

Q. Is that Mr. Dalglish?—A. Mr. Dalglish buys the thread, Mr. Brown buys the frieze and Mr. McNichol buys the small stuff, the needles and so on.

By Hon. Mr. Reid:

Q. Then you have no invoices there as to yarn?—A. No, I have not.

By Mr. Carvell:

Q. We will take the ordinary pant button, that is a metal button with one bar across the eye. There are two sizes. Have you an invoice of those?—A. (After making search) No, I am afraid not. I guess they had not delivered any when they got up to this date, they have only got up to August 24th. I think probably you will get more satisfaction out of the manager of the Department.

By the Chairman:

Q. When were you subpoenaed?—A. Last night at 9 o'clock.

Mr. CARVELL: I am not finding any fault with this witness. I realize he has had no time to prepare himself.

By Hon. Mr. Reid:

Q. Can you get us one invoice of each one of the items?—A. I can do that in a very few minutes.

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By Mr. Carvell:

Q. And the total quantities?—A. Then we would have to get all the invoices. We do a very large business with The 2 Macs in a great many lines and we would have to go through our ledger and pick out all the different items that would be there. We have got three men at work dissecting the invoices to take out the stuff that was for the housewives from the other stuff. You see we do a very large business with The 2 Macs. It would be better to have Mr. McNichol, because you can get more information from him. Mr. Dalglish knows about the thread and Mr. McNichol all about the other small stuff.

Q. Will you please take one of these housewives with you and you can consult with your manager and then one of you can return and tell us what quantity of thread and other materials were supplied to The 2 Macs?—A. As to the thread, that is quite a technical question, because there must be a certain amount of leakage in putting up the stuff in short lengths. I think Mr. McNicol probably knows pretty well how much there would be.

Mr. CARVELL: Then we will excuse this witness and let him get the other witness up here as soon as he can.

The WITNESS: Will I leave these samples?

Hon. Mr. REID: Yes, and get Mr. McNichol as soon as possible.

Witness retired.

Mr. T. McNICHOL called, sworn and examined.

By Mr. Carvell:

Q. You are an employee of the firm of John M. Garland, Son & Company?—A. Yes.

Q. Did you have personal knowledge of the goods supplied by your firm to The 2 Macs for the purpose of housewives?—A. The most of it.

Q. You have personal knowledge?—A. Of the fillings.

Q. Well, we will take the fillings. Take the first, the linen thread, do you know how much thread was supplied?—A. I could not tell you the total amount without looking up. They are making invoices now for the entire amount. I have some of them here, and the balance will be here by 12 o'clock, I guess.

Q. We will get as far as we can. How many of these small hanks or skeins could be made from a pound of thread?—A. There is 48 of these hanks in what is called a pound, and they use a hank for each hank in there, I understand.

Q. I want you to look at them, if you will. I have some doubts about it.—A. (Witness examines) Oh, yes, I think so.

Q. The evidence given was that they bought that in quantity and they had to put them in hanks?—A. They had to put a considerable quantity of it in hanks off spools. We had to buy spools for a lot of it, and we had to reel it.

Q. You say from your intimate knowledge of the goods that the sample you see there is of such a size that it would run 48 to the pound of 16 ounces?—A. They would not be 16 ounces exactly, but around 12 ounces.

Q. Troy weight, I see. Do you say that 48 of these hanks, such as you see, would make one pound of linen thread?—A. Well, there is a certain amount of wastage, to cut them that way; there was a certain amount of wastage; they use a skein, the balance was waste.

Q. Is it your evidence that a pound of thread made 48 of these skeins or hanks?—A. That is what I understand.

Q. Did you yourself have anything to do with them?—A. No, that is another department.

Q. And who is the manager of the other department?—A. Mr. Dalglish.

Mr. T. McNICHOL.

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Q. Do you know what a pound of this linen thread costs?—A. I could not tell you what it cost.

Hon. Mr. REID: What he sold to them for would be a fair question.

By Mr. Carvell:

Q. Do you know what they sold it for?—A. The invoices will show it. It varies a little (examines invoices). Here is some linen thread, 44 boxes, at \$1, here is some more, 76 cents.

Q. How much?—A. 76 cents.

Q. 76 cents per pound?—A. Some here at \$1.50.

Q. And some at 65 cents?—A. 65 cents, \$1. I guess that is about all there is now.

Q. How much would you have of these invoices on hand at 76 cents a pound?—A. I could not really tell you.

Witness retired.

Hon. A. SEVIGNY, Deputy Speaker: Mr. Chairman, I want to make an application to the committee. The "*Citizen*" this morning in its report of the investigation before this committee, which is headed, "In a Hurry for Money," states that Mr. Kyte read a letter from Albert Seigny to the paymaster general of the Militia Department, asking that the Plamondon account be expedited, which is as follows (reads):

"Dear Sir,

I have received your letter of the 1st instant. A duplicate of the account of Mrs. Plamondon must have been sent some days ago to the Department. Will you have the kindness to pay this account as soon as possible.

Yours truly,

(Sgd.) ALBERT SEVIGNY."

Well, to me, Mr. Chairman, this seems to be an insinuation.

Mr. CARVELL: Well now, Mr. Chairman, just a moment. Mr. Seigny is a member of this House, and an honoured one, and we will treat him with all the courtesy possible.

Hon. Mr. SEVIGNY: I came here, Mr. Carvell, to offer my services as a witness, if I am required.

Mr. CARVELL: All right, if the letter is not correct make it correct, but any comments must come at another time and place.

Hon. Mr. SEVIGNY: Here is the statement I wanted to make.

The CHAIRMAN: Wait a moment please, let us understand where we are. We had a witness here last night who came before this committee regarding a newspaper item. Why should we treat Mr. Seigny in any different way from the other gentleman who has been here.

Mr. CARVELL: The gentleman to whom you refer came and said he had nothing to do with the transaction. If Mr. Seigny says he did not write that letter, all right.

Mr. KYTE: He said there was an insinuation. There was no insinuation made by me.

Hon. Mr. SEVIGNY: No, I say that anybody reading the statement in the paper would associate my name with this investigation.

Mr. CARVELL: Yes.

Hon. Mr. SEVIGNY: Therefore, I offer myself to this committee as a witness, so that I may explain this affair.

Mr. CARVELL: All right, we will take you as a witness without swearing you.

Hon. Mr. SEVIGNY: Yes, but I want to be sworn.

Mr. CARVELL: Swear if you want to, or we will take your word just the same.

The CHAIRMAN: Is it the pleasure of the committee that Mr. Seigny take the stand as a witness now?

Mr. CARVELL: I am agreeable since he is here.

Mr. T. McNICHOL

Hon. Mr. SEVIGNY, sworn and examined.

By Mr. Carvell:

Q. You are the member for Dorchester, are you?—A. Yes.

Q. And Deputy Speaker of the House?—A. Yes.

Q. Are you also a brother of Madame Plamondon?—A. Yes.

Q. The lady who sold drugs to the Militia Department to the amount of \$23,400?—A. Yes.

Q. Will you look at this letter (handing file to witness)?—(After examination) That letter was written by me.

Q. Will you kindly read it in French and translate it in English?—A. I don't know whether my translation will be very good.

Q. We will take it anyway.—A. This letter is dated 22nd July, consequently, it was written before the war and has absolutely nothing to do with the accounts for goods supplied to the Valcartier Camp.

Q. Never mind, read the letter?—A. (Reads):—

Colonel EUGENE Fiset,
Deputy Minister of Militia,
Ottawa.

“QUEBEC, 22nd July, 1914.

MY DEAR COLONEL,—Madame G. P. Plamondon, my sister, has sent about a month ago an account of \$800 to the Department for drugs which the Department bought from her. Will you have the kindness to give special attention to that account in order that it may be paid without delay. By doing this you will oblige,

Your devoted friend,

(Sgd.) ALBERT SEVIGNY.”

By Mr. Kyte:

Q. Let me have that letter, please?—A. This letter was written on the 22nd July, and consequently it had absolutely nothing to do with the contract for goods supplied to the soldiers at Valcartier. Now, there is another letter here in the *Citizen*.

The CHAIRMAN: The impression produced upon the committee was that the letter had to do with the very accounts we are investigating, there is no question about that.

The WITNESS: I see here another letter in the *Citizen*, different from the one I have read, but it bears no date. Perhaps the letter is on the file.

By Mr. Kyte:

Q. Letter from whom?—A. A letter from Albert Sevigny to the Paymaster General of the Militia Department.

Q. I did not read the letter you have quoted at all. This is the one I read, dated 13th August (handing file to witness)?—A. (After examination.) This is another one. This letter was addressed to Mr. J. W. Borden, General Accountant, Militia Department, but it refers to the same account (reads):—

“QUEBEC, 13th August, 1914.

“DEAR SIR,—Re account of \$800 due to Madame G. P. Plamondon. I have received your letter of the 1st instant. A duplicate of the account due to Madame Plamondon must have been sent to the Department some days ago. Will you have the kindness to pay that account as soon as possible?

Yours very truly,

(Sgd.) ALBERT SEVIGNY.”

This refers to the same account for \$800, mentioned in the letter I read previously.

Q. A reply was sent to your letter, what was the date of that?—A. 1st September, 1914 (reads):

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"Kindly say if the account spoken of in Mr. Seigny's letter, page 137, is in your branch, and if so, what are the chances of its being recommended for payment soon. It is understood from the D.G.M.S. that this account includes a few small items for medical stores, but the greater part of it is for veterinary drugs.

Please hasten the preparation of this account for payment."

Q. If you have any comments to make upon the letter the opportunity is now afforded you to do so.—A. There is an investigation in progress before this Committee into certain drugs sold by Madame Plamondon for the use of the troops at Valcartier. A letter written by me to the Department of Militia is published in the Citizen of this morning under the caption of "In a Hurry for Money". What I was asking in the letters just read was the payment of an account due to Madame Plamondon for drugs supplied before war was declared. I want to make this statement as a witness under oath before the Committee with reference to drugs supplied by Madame Plamondon to Valcartier Camp: I never saw her accounts, I have absolutely nothing to do with the business she is conducting in the city of Quebec, and I know absolutely nothing of her affairs. After this statement I hope every honourable gentleman will realize that it would not be fair to connect my name, either directly or indirectly, with this investigation. Now I am at the disposition of members of the committee and quite willing to answer any questions they would like to put to me.

By Mr. Carvell:

Q. Then I will ask you one or two in response to that invitation. The letter which was read by Mr. Kyte yesterday, and referred to by you, had reference to accounts for drugs supplied by Madame Plamondon?—A. Yes.

Q. I take it then, Madame Plamondon had been selling goods to the Department of Militia prior to the outbreak of the war?—A. Yes, she had a contract with the Militia Department.

Q. You know that of your own knowledge, do you?—A. Certainly.

Q. Were you the person who had her name put upon the patronage list?—A. Yes.

Q. When was that done?—A. About two years ago I think.

Q. Shortly after the present Government came into power?—A. Yes. Let me make this statement: As Mrs. Plamondon said the other day, she is a widow and conducts a drug store business for her two children in the city of Quebec, and has a licensed druggist, as required by the laws of the province.

By Mr. Kyte:

Q. You say she has a licensed druggist in her employ?—A. Yes. According to the laws of the province of Quebec every drug store must have a licensed druggist, and she has one. I recommended Madame Plamondon to the Department of Militia, and in doing so, I think, committed no wrong.

Mr. CARVELL: We are not saying there is anything wrong.

The WITNESS: She was lucky to get the contract, because she was the lowest tenderer.

Mr. KYTE: There was no tender at all.

The WITNESS: Last year Madame Plamondon sent in a tender to the Militia Department for the supply of drugs and she did not get the contract because she was not the lowest tenderer. On the contrary the contract was awarded to one Mr. LaRoche of Quebec.

By Mr. Kyte:

Q. When was that?—A. Last year, for the supply of veterinary drugs.

Q. You mean in 1914?—A. 1914.

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Q. What time of the year?—A. The spring, I think. The contracts were awarded about the 31st of March or the 1st of April, if my recollection is correct, in response to tenders that were called for the supply of veterinary drugs. Madame Plamondon sent in her tender. She was not awarded the contract because she was not the lowest tenderer—at all events that is what they told me in the Militia Department—but the tender of Mr. LaRoche of Quebec, who by the way is a Liberal, was accepted.

Q. That does not appear to be in accordance with the evidence given here. Mr. Brown says her name was given in some time after the change of Government. Prices were submitted to her and she entered into a contract to furnish goods at the prices stated. When the war broke out she was requested to continue to supply to them. Three requests were made by her to increase the prices, I do not say improperly, of course, and those increases were given. The supplying of the contract at Valcartier was therefore continuous with the original contract.—A. As I have already said, I myself recommended my sister to the Department of Militia and I do not think anybody can blame me for that.

Q. That is another question?—A. I have always understood that the contracts Madame Plamondon got from the Militia Department were given to her because she was the lowest tenderer.

By Mr. Carvell:

Q. Did you understand she got the contracts for the Valcartier supplies because she was the lowest tenderer?—A. I was under the impression, Mr. Carvell, that she supplied the drugs at Valcartier because she had a contract with the Department of Militia.

Q. As the lowest tenderer?—A. Oh, no, but according to her contract, that is what I understood. I say under oath that when the war broke out I never asked the Militia Department, or anybody else, to give a chance to Madame Plamondon in order that she could supply the drugs to the soldiers at Valcartier. She had a contract with the Department and I understood the other day when Mr. Brown gave his evidence, and I understood at the time, that she was supplying the drugs because she had a contract already.

By Mr. Sinclair:

Q. There is one point I would like to understand clearly from you. Madame Plamondon had a contract at the time that account for \$800 was put in?—A. Yes.

Q. You told us that in 1914 she did not get a contract because she was not the lowest tenderer there. How do you reconcile those two statements?—A. If there is one thing I remember, Mr. Sinclair, it is this: that she tendered for the supply of veterinary drugs.

Q. Yes.—A. She did not get the contract because she was not the lowest tenderer. The contract was awarded to one Mr. LaRoche in 1913 or 1914. That can be easily verified by an official of the Department.

Q. She must have got a contract after that \$800 account was sent in?—A. The account for \$800 is for drugs. Now I said she was refused a contract for veterinary drugs because she was not the lowest tenderer.

By Mr. Rhodes:

Q. You have written from time to time letters with respect to payments due to other people in the ordinary course of your duties as a member?—A. Certainly. My office in Quebec is always crowded with patronage seekers and people wanting favours from the Government.

The CHAIRMAN: Do you not wish to make a statement, Mr. Kyte?

Mr. KYTE: I have no statement to make.

The CHAIRMAN: I merely wanted to know.

Mr. KYTE: If the question imports the idea that I did anything improper, I am obliged to resent it from the Chair.

Mr. A. SEVIGNY.

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Mr. RHODES: You read the letter to connect Mr. Sevigny with this transaction.

Mr. KYTE: I quite agree with you; it was to connect him with the transaction, and I did connect him.

The WITNESS: Madame Plamondon was here the other day, and when I was told last week that she had been subpoenaed, I immediately telephoned to her in Quebec, and said, you will get a subpoena to appear before the Public Accounts Committee; I know you have arranged a trip to New York for Easter, but I do not want you to go to New York; I want you to come to Ottawa, and that is what she did. Now she was questioned only for a few minutes, and I do not think it is fair—I do not want to say anything against the way that business is conducted here—but I want to say this: I do not think it is fair that, after having examined Madame Plamondon for only a few minutes, and after she has gone back, to try to prove that her account is fraudulent.

Mr. KYTE: I asked her if her accounts were fair and reasonable, and she said yes; that is as far as I could go with her.

Mr. SINCLAIR: She should be allowed to come back if she wants to give any further evidence.

Mr. CARVELL: I'll tell you, Mr. Sevigny, what I'll do; I will sit here all next week if necessary, if you will bring Mistress Plamondon to make any explanation she has a mind to; and if she comes I would like her to bring all the invoices of all the purchases she made.

WITNESS: As you like; I have made my declaration.

Mr. CARVELL: It is up to you to make the next move.

WITNESS: I have made my declaration that it is not fair.

Mr. CARVELL: I cannot accept that for a moment.

WITNESS: Mistress Plamondon was here last week, and she was never asked why she charged such and such an amount.

Mr. KYTE: I asked her if the prices were fair and reasonable, and she said yes.

Mr. CARVELL: She was treated with great courtesy, and there is no reason why her brother should come here and object.

WITNESS: I have made my statement, and I hope in the future people will not proceed by insinuations.

Mr. KYTE: There was no insinuation made, and I would do the same thing again if I were called upon in this committee.

Witness retired.

Mr. T. McNICHOL recalled and further examined.

By Mr. Carvell:

Q. I think I was asking you about the thread?—A. 136½ pounds.

Q. At how much?—A. 76 cents, that is on this one item.

Q. I want you to figure that out?—A. \$103.87.

Q. Will you tell me how many hanks or skeins would be made out of 136½ pounds?
—A. There would be 48 times 136½.

Q. I make it 6,560 hanks; you had better figure it out to make sure?—A. 6,560.

Q. What would be the cost per hank?—A. A shade less than a cent and a half.

Mr. CARVELL: I think it is a shade over; I make it 1.6.

WITNESS: That is right.

By Mr. Carvell:

Q. We will say a little over a cent and a half. Now multiply that by three and you get 4.8, or 4½ say. I find that Mr. McClenaghan says that it cost him 6½ cents for the three skeins?—A. Yes, but you must understand that there is a considerable wastage.

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Q. You said you got 48 skeins allowing for wastage?—A. But you have to have an average. In order to get the exact amount of them you would have to get the total; you cannot take any one item very well.

Q. Let us work this out; you say that you have an invoice for 136½ pounds and that allowing for wastage you would have 48 hanks?—A. Yes, you would.

Q. Out of that you would have 6,560 skeins, and they cost Mr. McClenaghan \$103.87. That would be 1.6, or 1¼ cents per skein, and for three it would be 4.8.

Mr. RHODES: You are discussing this with reference to the cost of 76 cents, but some invoices are for \$1, and some for \$1.50.

Mr. CARVELL: And some for 65 cents.

Mr. RHODES: Mr. McClenaghan's evidence was with respect to the whole business.

Mr. CARVELL: I want him to bring all the invoices of all the thread he purchased.

The CHAIRMAN: I do not think it is quite 1.6.

Mr. CARVELL: It is a shade under, but I was giving Mr. McClenaghan the advantage. It works at 4.8 for the three skeins.

Mr. RHODES: What were the other prices?

Mr. CARVELL: \$1, and 65c.

The CHAIRMAN: \$1, \$1.50, and 65c.

Mr. CARVELL: This evidence should have been approached from the standpoint of the totals, but I could not get the totals, and I had to go on and do the best I could.

Mr. BOYS: You are taking that price as an average, are you?

Mr. CARVELL: No, just as one price.

Mr. BOYS: You are simply dealing with it at that particular price?

Mr. CARVELL: Yes.

By Mr. Carvell:

Q. Now I want to take safety pins. Did you furnish safety pins—A. Yes, sir?

Q. Can you tell me how many?—A. Not without figuring it up; it was several thousand gross.

Q. Did you furnish all the safety pins, so far as you understand, for the order?—A. I think so.

Q. Tell me what you charged for safety pins.

By Mr. Rhodes:

Mr. CARVELL: He is put forward as the man who does know.

Mr. RHODES: He would know all that Garland furnished.

Mr. CARVELL: I think this witness does know, and I am willing to take his word.

Mr. RHODES: Let us find out how much he does know.

By Mr. Rhodes:

Q. Do you know actually how many safety pins were received by McClenaghan?—A. Not without figuring it out.

Q. So far as you know, he might have purchased other safety pins?—A. He might, possibly.

Mr. CARVELL: I will cut this short if Mr. McClenaghan chooses to produce his invoices.

The CHAIRMAN: Mr. McClenaghan wrote this letter to me; I did not think it was worth while reading (reads):

"We find it will be utterly impossible for us to appear at 10 o'clock with our invoices. We are working on them as hard as we can. There are invoices from about twenty firms, and they are filed away with our general business, and we have to extract them from each file."

Mr. CARVELL: Mr. McClenaghan is here now.

Mr. T. McNICHOL.

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Mr. STEWART McCLENAGHAN recalled and further examined.

By Mr. Carvell:

Q. I want to know if you have the invoices for the safety pins?—A. We have not got all our invoices yet, because our invoices are on file with the different firms. There were twenty different firms that we bought those goods from, and we had to take them apart—

Q. Let us get the Garland invoices.—A. I think it would facilitate matters if you would allow this man (Mr. Gervan) who has charge of it to explain; I do not know as much as he does.

Mr. CARVELL: I will go on with this witness (Mr. McNichol).

Mr. McCLENAGHAN retires.

Mr. T. McNICHOL further examined.

By Mr. Carvell:

Q. Have you the invoices covering the safety pins? if so let us have them.—A. Here is one, sir. (Invoice handed to Mr. Carvell.)

Q. Here is an invoice for 278 great gross of safety pins at \$4.60. That is \$4.60 for what?—A. Great gross.

Q. What kind of safety pins are these?—A. Nickel plated.

Q. Are these called the Stewart pin?—A. No, sir.

Q. What is it? What do you call it?—A. You can get any name you want put on it, the "Stewart" is an American pin.

Q. Has this pin any specific name?—A. No, it has not, it is known in the trade as "Safety Pin, Size 3."

Q. You charged \$4.60 per great gross for these. Let us figure out what that comes to per dozen?—A. To arrive at the cost you will necessarily have to add 10 per cent to that, because of the wastage in making up the requirements.

Q. Well, figure out the cost?—A. Of the total quantity?

Q. Yes?—A. The extension is there.

Q. Well figure it out, on the extension here, 278 great gross at \$4.60, that comes to \$1,278.80?—A. \$1,278.80.

Q. Now let us figure it back and tell us what two dozen will cost. In a great gross there would be 144, would there?—A. Yes.

Q. Twelve dozen?—A. Twelve gross.

Q. Twelve gross and that will figure out at what?—A. 38½ cents per twelve dozen.

Q. Divide that by twelve and you get about 3¼, that is right, is it not?—A. Yes.

Q. And that would be 6½ cents for 2 dozen?—A. Actual count.

Q. Very well, 6½ cents for two dozen?—A. Yes.

Q. Now Mr. McClenaghan says 7 cents for two dozen?—A. He was taking into consideration the number that would be required to make the actual count he included the wastage.

Q. How many were in the whole order?—A. We had to get about 30 per cent more than the actual count.

Q. How many were there in the whole order?—A. I could not tell you.

Q. How many pins were ordered for these 100,000 housewives?—A. I could not tell you the quantity of pins supplied without totalling it up.

Q. If you cannot give it to us we will have to total it up some other way.

By Mr. Boys:

Q. Apparently there is a difference of a half cent in the two dozen. Mr. McClenaghan's figure is a half cent a dozen more than the actual cost, is it not?—A. Yes.

Q. Now, is half a cent too much to figure on for wastage?—A. It is barely enough in some cases.

Mr. T. McNICHOL.

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Q. Are you prepared to say that it is absolutely a reasonable allowance to make?
—A. I think so, yes.

By Hon. Mr. Reid:

Q. You think Mr. McClenaghan's price of seven cents charged there is fair and reasonable?—A. Yes.

By Mr. Carvell:

Q. Now we will take up the pant buttons. I see you have here a button; is this called the "Barr Brass button;" that is a large button, is it?—A. A large size, yes.

Q. Now there were three dozen large and a half dozen small buttons in each parcel?—A. Yes.

Q. Have you any invoice there for these buttons?—A. Yes, here you are, sir. (Invoices produced.)

Q. You have here six great gross brass buttons at \$1.35 per great gross. I want you to figure this out, if you will?—A. 11 $\frac{1}{4}$ cents for 12 dozen.

Q. That is for 144 buttons. That is a little below one cent a dozen?—A. Yes.

Q. And there would be sufficient in it to provide for the waste, would there not?—A. No.

Q. We will take the figures as they are then——?—A. Well, I suppose it would, six per cent, yes.

Q. That will cover it all right, 1 cent a dozen. What would the small buttons cost?—A. They would cost about 9 $\frac{3}{4}$ cents.

Q. A little less than the large ones?—A. Yes.

Q. At that rate you would have \$1.35 for a great gross?—A. For twelve gross.

Q. That would make how much for three dozen?—A. About three and a half cents.

Q. That is what Mr. McClenaghan says he charged.

The CHAIRMAN: Three and a half dozen at 3 $\frac{1}{2}$ cents.

By Mr. Boys:

Q. According to you the price charged is reasonable?—A. Yes.

By Mr. Carvell:

Q. Now the next is the bachelor buttons, have you an invoice for those (invoice produced)? You have 870 packages of bachelor buttons at 90 cents a package, what does that "package" mean?—A. 120 buttons. They are in 10 dozen packages.

Q. 120 packages at 90 cents?—A. No, 120 buttons for 90 cents.

Q. That would be about $\frac{3}{4}$ cents a button, wouldn't it, around that?—A. Yes.

Q. There would be six of them, and that would be 4 $\frac{1}{2}$ cents, am I right?—A. Yes.

Q. What did Mr. McClenaghan charge for those? I do not seem to have it here.

The CHAIRMAN: Four cents.

Mr. McCLENAGHAN: And there are the envelopes to be added to that, in which the buttons were put.

Q. Now, take the next, needles, did you supply needles?—A. Some of them.

Q. Give us the invoice for those sewing needles (invoice produced). You had 750,000 needles; what is the meaning of "packages"; let us get that?—A. Forty packages to the thousand.

Q. They cost a dollar a thousand, that would be forty packages for a dollar, or two and a half cents a package?—A. There is some waste in that, there would be more used than the actual count would warrant. There is a waste in that.

By the Chairman:

Q. A man must figure on the wastage?—A. Oh yes, in the needles he must.

By Mr. Carvell:

Q. Now take the darning needles, have you an invoice there for the darning needles (invoice produced)? 72,000 darning needles at \$2.20, that means \$2.20 a

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thousand?—A. Yes, they are not all at that, some of them were possibly as high as \$4.20.

Q. Have you the invoices there?—A. (Produces and hand invoices to Mr. Carvell).

Q. You invoice 26,000 darners at \$2.20, 11 gross darners is the next?—A. That is a gross paper, there are ten needles in a paper.

Q. That will be 120 then?—A. Yes,—no, that will be 1,440.

Q. For \$4.20, and 13 gross darners at \$3.60. Now, you have got practically one-half gross of these at \$2.20 a thousand?—A. The cost would average about 8 cents for 25, 8½ cents for 25.

Q. That would be—A. About a third of a cent apiece.

Q. And the three of them would come to a cent. That is what Mr. McClenaghan puts down here.

Q. Now, have you the cloth?—A. The cloth I could not tell you, it is in another department.

Q. Have you any evidence as to what the cloth——?—A. I could not tell you anything about it. There is a lot of braid used there.

Q. Let us see the braid.

The CHAIRMAN: Is that what you call tape?

Mr. CARVELL: Yes.

The WITNESS: (After looking through invoices.) There are no invoices for braid here, I guess they are coming.

By Mr. Carvell:

Q. You have not that there?—A. All the invoices are not here.

Q. That is as far as we can go then, all right.

By Hon. Mr. Reid:

Q. This is a detailed statement of the cost of the housewives submitted by Mr. McClenaghan. In that, there are three skeins of linen thread. Mr. McClenaghan gave evidence here in which he estimates the cost of that to him at 6½ cents for the three skeins of linen thread. Do you think that is a fair and reasonable statement of McClenaghan's as to the cost?—A. I think so.

Q. He also says three darning needles cost him one cent? Do you think that is a fair price?—A. Yes, sir.

Q. He says the two spools of wool cost him 4 cents. Do you think that was a fair statement?—A. That is what they cost him.

Q. Thimble, 1½ cents, do you think that a fair statement of the cost?—A. A shade under, I think.

Q. The beeswax, a small piece?—A. I could not tell you about that.

Q. — put up in the shape it is he states cost him half a cent.—A. We had nothing to do with that.

Q. The sewing needles that are contained in this housewife he states cost him 2½ cents. Is that a fair and reasonable price?—A. Yes.

Q. Twenty-four safety pins he states cost him 7 cents. Do you think that a fair and reasonable price?—A. Yes.

Q. Three and a half dozen pant buttons he states cost him 3½ cents. Do you think that is fair?—A. Yes.

Q. Five bachelor's buttons 4 cents he estimates, do you think that a fair price?—A. Yes.

Q. Cloth, 5 cents, as contained in this—A. I could not tell you anything about that.

Q. Linen, one cent, you don't know anything about that. Tape 1 cent, do you think that a fair statement of the cost of the tape?—A. They would be lucky if they got it out at that.

Q. You have no idea as to what these would cost to make up?—A. No, sir.

Q. You would not be prepared to give a statement as to your own cost?—A. No.

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Q. Winding yarn, and so on, he states cost him 2 cents. Is that a fair statement?—A. How do you mean?

Q. That is for winding yarn, that is putting it up, that is a separate thing. So far as the articles that I have mentioned to you are concerned, which are the greater number of them, the prices that McClenaghan states that they cost him you state are correct?—A. Practically, yes, sir.

By Mr. Carvell:

Q. Now, will you tell me what those safety pins cost you?

Hon. Mr. REID: I don't think that is a fair question, because he is purchasing them from the wholesale.

Mr. CARVELL: Mr. McClenaghan can buy safety pins as cheap as I can. I can buy those safety pins for one-third of what they charge Mr. McClenaghan, and there are millions of them.

By Mr. Carvell:

Q. I want to know what they cost?—A. I could not say.

Mr. CARVELL: We will get it. I am commencing to see the nigger in this transaction.

Hon. Mr. REID: If you do, for Heaven's sake bring him out and we will make a white man out of him.

Mr. CARVELL: I notice this witness is very careful to say that these are the prices he bought at.

The WITNESS: Well you have the invoices.

Mr. CARVELL: I know.

Hon. Mr. REID: There is one thing I want to go on the record,—he is your witness, not the Government's.

The WITNESS: You can figure them out there for yourself.

The CHAIRMAN: Some men have a right to make some profit.

Mr. CARVELL: Yes. But Mr. McClenaghan has no right to go and buy goods at three different prices, and then charge them up to the Government at one price.

Hon. Mr. REID: There is no evidence of that.

Witness discharged.

Mr. STEWART MCCLENAGHAN recalled and examined.

By Mr. Carvell:

Q. Have you the original invoices with you, Mr. McClenaghan?—A. As many as we could get.

The CHAIRMAN: Do you want to examine him, or the head of his department?

The WITNESS: The head of the department runs it for me; it is all Greek to me.

Mr. CARVELL: We will take Mr. McClenaghan just now.

By Mr. Carvell:

Q. Take the safety pins first.—A. These invoices (producing) are from Gault Brothers, Brock's, and every wholesale pretty nearly in Canada, so you can pretty nearly judge of the Garland prices by them. Here is an invoice of February 8, for 290 great gross of safety pins, \$4.60. (Hands to Mr. Carvell).

Q. That is from Garland. Now, find some other firm?—A. (Witness looks through invoices.)

By Hon. Mr. Reid:

Q. In buying these goods did you buy them at the cheapest possible price you could?—A. Yes, we certainly got them—of course, we just deal with the wholesales.

M. S. MCCLENAGHAN.

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Q. These are wholesale prices?—A. Wholesale prices, and just as good value as we can get in Canada.

Mr. BOYS: Will you tell us, Mr. Carvell, where they could be bought for a third less?

Mr. CARVELL: I am examining this witness now.

By Mr. Carvell:

Q. Now, have you any more invoices for safety pins?—A. (Consults employee.) He says the safety pins were all bought from Garland's.

Q. That is all I want from you, Mr. McClenaghan. He says the safety pins were all bought from Garland's; that is what I thought.—A. It is 20 cents under the whole-sale price.

By Mr. Boys:

Q. Did you ascertain the prices anywhere else?—A. Yes.

Q. Than from Garland's?

Mr. GERVAN: I got many prices.

By Mr. Boys:

Q. Who was making an effort on behalf of your firm to get these supplies at as reasonable a figure as he could?—A. Mr. Gervan.

Q. I cannot recall the name, but I remember Mr. German put a question to Mr. Brown, the Director of Contracts, as to whether or not a certain gentleman had quoted prices.—A. In Ottawa, Mr. Pageau.

Q. What are his initials?—A. Two or three initials.

Q. I would like to see him called as a witness here.

Witness retired.

Mr. F. W. GERVAN, called, sworn and examined.

By Mr. Carvell:

Q. What position do you occupy in The 2 Maes?—A. A manager.

Q. You do the buying?—A. In some lines.

Q. Did you buy these needles?—A. Yes.

Q. From what firms did you buy them?—A. I bought them from Garland's, from Gault's—

By Hon. Mr. Reid:

Q. Of Montreal?—A. Yes. I think I bought some from Greenshields.

By Mr. Carvell:

Q. Let us have the invoices from those three firms, that will be quite sufficient?—A. That is one of Garland's (producing).

Q. Here is a Garland invoice for a half thousand and twelve thousand at \$1 a thousand.

By Hon. Mr. Reid:

Q. Did you give Garland's any special price or an advance over what you could buy them from any other person?—A. No, sir, I got under on the biggest part of the wholesale prices on account of quantity.

Q. You gave them no advantage in any way, shape or form on account of Mr. McClenaghan getting the order?—A. No, sir.

Q. You are positive about that?—A. The only reason it went there was because they were Ottawa people.

Q. From your recollection also, how did the wholesale price of Garland's to you compare with the prices from others? Was it reasonable?—A. Reasonable.

Q. Was it more or less?—A. About the same, there is really not much difference, very little (producing invoice). That is Gault's.

Mr. F. W. GERVAN.

5 GEORGE V., A. 1915

By Mr. Carvell:

Q. What is Gault's price?—A. 90 cents. You will find some of Garland's are 90 cents. I will get you one of Garland's. (Looks through invoices).

Q. That is for the needles?—A. Yes.

Hon. Mr. REID: What date is that?

Mr. CARVELL: December 1.

Hon. Mr. REID: What date is the other invoice?

Mr. CARVELL: February 16, at \$1.

Hon. Mr. REID: That is two months afterwards practically.

The WITNESS: I can explain some of that in a few minutes.

Hon. Mr. REID: This invoice at \$1 is two months after the one at 90 cents.

Mr. CARVELL: Do you think the war made some difference in it?

Hon. Mr. REID: I think the war certainly made a difference on many things, and it may have made it on needles as well as anything else.

Mr. CARVELL: I think a better argument would be that your tariff did not raise the price. After you put on the 7½ per cent it went down.

Hon. Mr. REID: Perhaps they were manufactured in Canada.

Mr. CARVELL: Mr. Chairman, I do not want to be unreasonable. I have certain instructions regarding this matter, otherwise I would not be following it up. I might make a suggestion that will close this up. I know it is the understanding we are trying to get through to-day. I suppose we could come back Monday morning, and I could state to this witness what I want, and they will have plenty of time to get it ready. If my instructions are in error, I don't want to cast the faintest insinuation against Mr. McClenaghan's business.

Mr. MCCLENAGHAN: I am perfectly satisfied to bring it up. The only thing that made me hot was the statement that we were making \$30,000, when we were not manufacturing them ourselves.

Mr. CARVELL: If Mr. McClenaghan would come here with his invoices showing total cost of the articles which he bought—it ought not to be a serious matter—that is the information I want.

Hon. Mr. REID: He has no objection to that.

Mr. MCCLENAGHAN: The bookkeeper said it would take him nearly all afternoon to prepare the information.

The WITNESS: I can find almost everything else here in these invoices but these needles. I want to make a little explanation if the committee does not mind. I happened to be here when Mr. McNichol, I think it was, was on the stand, and I heard his evidence. I may say that the great cost of linen thread as it was bought there is buying it by the spool, and winding it by hand, some of it. Afterwards we borrowed one machine and kind of designed others to do it for the time being. But that is where the great cost comes in, winding it into skeins.

By Mr. Carvell:

Q. I find in looking over your invoices, that there is great disparity in the prices of linen thread. For instance, here is 95 pounds of thread at 75 cents. Then we have 89 dozen 200 yards long, at \$1.05. That is a big price. There is also linen thread of 73 cents and 191 pounds of linen thread at 57 cents.—A. But that is, pardon me, only 37 skeins to the pound. That makes the price one-third more.

Q. 87 pounds at 63 cents, 6 boxes at 90 cents, and linen thread at 69 cents.—A. That linen thread runs all the way from 32 skeins to 38 skeins to the pound.

Q. Now I want the total weight and cost of the yarn.—A. I cannot give you the weight, we buy by the spindle.

Q. Could you tell me how many of these cards can be made from a spindle?—A. I could not.

Q. Could you tell me the total amount and weight of the yarn?—Of everything, the yarn, cards, winding and all?

Mr. F. W. GERVAN.

APPENDIX No. 3

Q. Yes, certainly. All.—A. I think I can get you all. If I have to get all this I am afraid I won't be able to be here at 10 o'clock Monday morning. I shall have to work on Sunday.

Q. I am asking you for just the details about the yarn.—A. There is a lot of detail you know, about this. It took three of us $3\frac{1}{2}$ hours this morning to get this number of invoices out.

Q. You did pretty well.—A. We did, and we worked pretty hard too.

By Mr. Boys:

Q. Mr. Carvell spoke this morning about No. 3 safety pins.—A. They are all one size.

Q. Are they the only kind of safety pins put up into housewives, No. 3 safety pins?—A. Yes.

Q. What you paid for these was worked out here at \$4.60.—A. A great gross.

Q. Do you know of anywhere, in Ottawa, or elsewhere, where you can buy these safety pins cheaper than you did?—A. Not that quality.

Q. You say not that quality. Is that covered by the description No. 3.—A. No, sir, No. 3 is the size.

Q. I should think the weight of the wire also?—A. And the quality of the wire. I might say in explanation, if you don't mind, at one time they were running short of that wire and they asked us if we would take a cheaper wire and we would not take it.

Q. These wires are all worked out by gauge of course.—A. Yes.

Q. I want you to describe the pin as to gauge and wire, so that we will be able to make a proper comparison.—A. I could not do it. I know that there are cheaper safety pins on the market, but the reason we use this safety pin—

Q. I know there are, very much cheaper.—A. I do not think it could be bought for one-half less.

By the Chairman:

Q. You mean cheaper pins could be bought?—A. Yes.

By Mr. Boys:

Q. So far as the description of that safety pin is concerned, if there is any further description by which to identify it, I want you to give it.—A. It is a brass wire, nickel plated safety pin.

Q. Of a certain gauge which you are not able to tell us?—A. Yes.

Q. It is imported, is it not?—A. I don't know, I did not go into the manufacture.

Q. When it is heavier it costs still more?—A. Yes.

Q. Have you in the interests of your firm endeavoured to buy those safety pins as cheap as you could get them?—A. Yes, sir.

Q. You bought them all apparently from Garland?—A. Yes, sir.

Q. Did you make inquiries, by reference to price lists or otherwise, to ascertain what you could get those pins for from other firms?—A. Yes, sir.

Q. You did that in the interests of your firm solely?—A. Yes.

Q. You then concluded that Garland's price was as good as you could get?—A. Yes.

Q. Do you believe, in view of the quality and the size, that you could get those pins in Canada at 10 per cent less than Garland's price, or one-third less?—A. Not that I know of.

Q. Is it fair then to summarize the matter in this way: that the statement made by Mr. Carvell that those pins could be got for one-third of the price you paid Garland's, is in your opinion, absolute rubbish?—A. So far as I know.

Witness retired.

Mr. F. W. GERVAN.

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Hon. Mr. REID: Before you go on with another witness, I would like to make a motion. I move:

"That Sessional Papers No. 122 and all papers in relation thereto, referred by the House to the Public Accounts Committee, be reported back to the House, together with the evidence taken in connection therewith; and that a report be made to the House recommending that the said Sessional Papers, and all other papers in relation thereto, together with the evidence be printed as an appendix to the Journals, and in blue book form, to the number of 500 copies, and that Rule 74 relating thereto be suspended."

That is the usual motion.

Mr. CARVELL: Except that five hundred would be a very limited number.

Hon. Mr. REID: There are 250 members.

Mr. CARVELL: I think we ought to have at least 1,000, so that every member could have four copies.

Hon. Mr. REID: All right, we will make it 1,000.

Motion agreed to.

Mr. A. B. ROWAN-LEGG called, sworn and examined.

By Mr. Carvell:

Q. You are the manager of the branch of the Union Bank at Somerset Street, Ottawa—A. Yes, sir.

Q. Have you the records showing the deposits of Mr. Powell since 1st August?—A. Yes, the deposit slips (hands Mr. Carvell deposit slips).

Q. The first is 4th September, 1914. This deposit seems to be as agent for Bauer & Black.—A. The account is opened in that way.

Q. By whom was it opened?—A. By Mr. Powell himself.

Q. And it has been kept as the account of the agent for Bauer & Black?—A. Yes.

Q. The amount on 4th September is \$421.01. The next is 12th September. This slip simply says, "Credit E. Powell, \$11,863.50." That would go to the same account?—A. Yes; there was only one account in the current ledger in his name.

Q. The next is 18th September, E. Powell, \$6,300. The next is 7th October, \$11,046.41. The next is October 15, \$50. The next is October 26, \$2,386.77. Then there is November 10, \$5,392.08; November 14, \$158; November 14, \$50.

Mr. RHODES: The same day.

By Mr. Carvell:

Q. Yes. The next is 27th November, \$690, and 30th January, \$1,800. Can you give the total deposits?—A. I have not added them up.

Hon. Mr. REID: I make it \$41,157.77.

Mr. RHODES: Yes, \$41,157.77.

Mr. CARVELL: If the witness is willing to accept that, I will; I dare say it is right.

By Mr. Carvell:

Q. Have any deposits been made by or on behalf of Mr. Powell since that date?—A. No; that was the last deposit.

Q. Is there any money to his credit at the present time?—A. There are a few dollars; I guess thirteen or fourteen dollars.

Q. There was a cheque sent about a fortnight ago or so by Mr. Powell in favour of the Auditor General, or some other Government official, for \$6,300. Was that cheque cashed?—A. It was cashed.

Q. And the funds were there to enable it to be cashed?—A. The funds were there to meet it in full, leaving a small balance, not fifty dollars.

Q. And there was no special deposit made at that time?—A. No, no deposit made since.

Witness retired.

Committee adjourned.

Mr. A. B. ROWAN-LEGG.

AFTERNOON SITTING.

HOUSE OF COMMONS,

ROOM 211,

SATURDAY, April 10, 1915.

The committee met at 2.30 p.m., Mr. Morphy presiding.

Hon. Mr. REID: Mr. Robidoux, the clerk, tells me that Mr. Pageau was telephoned to come here, and he came two or three minutes after we left the committee. My private secretary has handed me a letter received in my office from Mr. Pageau since. I suppose there would be no objection to reading this letter (reads):—

OTTAWA, April 9, 1915.

Hon. Dr. REID,

House of Commons.

DEAR SIR,—As the statement has been made before the inquiry now being instituted into furnishings for the Militia Department that we had offered to supply "Housewives" at 26½ cents each, we desire to state that such a statement is unwarranted and untrue in so far as it concerns ourselves. We quote no such prices of 26½ cents, and do not think they could be made for such a price. We cannot understand how any one could have had the effrontery to make such an unfounded statement concerning us.

Yours respectfully,

THE PAGEAU MFG. CO.,

Per J. B. ELZ. PAGEAU, *Atty.*

Mr. CARVELL: I would like to have Mr. Pageau here Monday morning.

Hon. Mr. REID: I have been informed, although I have not seen him, that Mr. Chipman has arrived, and I would like now to carry out the arrangement that we hear Mr. Chipman and Mr. Foster on Monday morning at 10 o'clock. The other two men, of course, would have to remain.

Mr. CARVELL: I would like to have gone through with it this afternoon. I am due in Fredericton on Wednesday morning at the Supreme Court and will have to leave here at 3.30 on Monday afternoon, but if absolutely necessary, perhaps I could get the court to wait a day for me.

Hon. Mr. REID: I have some important matters and engagements that I have made. I have an appointment for a little after six o'clock to-night. I do not want to be unreasonable.

Mr. CARVELL: If you ask it, we will have to agree to it. But it is too bad we should have to lose the afternoon.

Mr. RHODES: We adjourned Saturday and Monday of last week to meet your convenience.

Mr. CARVELL: I will stay on the job until it is finished, but would like to get away Monday afternoon if possible.

Mr. RHODES: We have still to examine Mr. Foster, Mr. Chipman, Mr. Pageau, Mr. McClenaghan and Mr. McNichol.

Hon. Mr. REID: We may want to call Mr. Mackay also.

Committee adjourned.

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HOUSE OF COMMONS,
ROOM No. 211,

MONDAY, April 12, 1915.

The Select Standing Committee on Public Accounts met at 10 a.m., Mr. Morphy presiding, in the absence of Mr. Middlebro, Chairman.

The Committee proceeded to the further consideration of "Sessional Papers numbered 122 of the present session of Parliament, and all other papers in relation thereto, being copies of correspondence between the Auditor General and the Department of Militia and other departments of the Government, laid upon the table of the House, in respect to expenditures under the War Appropriation Act," referred to them by the House.

Doctor G. R. CHIPMAN, V.S., called, sworn and examined.

By Mr. Rhodes:

Q. Where is your place of residence?—A. Kentville, Nova Scotia.

Q. What is your occupation?—A. Veterinary surgeon.

Q. Have you taken any degree?—A. Yes, Veterinary Surgeon.

By the Chairman:

Q. Are you a qualified veterinary surgeon?—A. Yes, sir.

Q. How?—A. I graduated from the Ontario Veterinary College, Toronto.

By Mr. Rhodes:

Q. You are practising at Kentville?—A. Yes.

Q. Did you examine some horses which were purchased at Kentville last autumn for the Government?—A. Yes, sir.

Q. Who engaged you?—A. Mr. Keever.

Q. Where did you first examine horses?—A. Kentville.

Q. Will you describe your manner of inspection at Kentville?—A. The horses were looked over carefully and then tried under the saddle. That is the saddle horses. The artillery horses, or draught horses, the saddle was not put on them.

Q. Was this method pursued in each case at Kentville?—A. Not in some places, no.

Q. At Kentville?—A. It was at Kentville.

Q. You say that at Kentville the horses were examined and put under the saddle and run up and down?—A. Yes, sir.

Q. That is, all the cavalry horses were put under the saddle?—A. Yes, sir.

Q. And the artillery horses were run up and down in harness?—A. Yes.

Q. Give in your own words the method of examination.—A. Well, I looked the horses over, and asked—

Mr. McKENZIE: Did he make any report in writing on these horses?

By Mr. Rhodes:

Q. Did you make any report on these horses?—A. After they were examined I took a ticket that was—

Mr. McKENZIE: If there is a written report it would be more satisfactory than the witness's memory now.

Mr. RHODES: I want first to examine him as to his method of examination. I will come to the other question later.

Dr. CHIPMAN.

APPENDIX No. 3

By Mr. Rhodes:

Q. You have already told us you tried the cavalry horses under the saddle and the artillery horses in harness. Then you say you looked them over.—A. Yes, as to age and soundness.

Q. Then you gave them a thorough examination with a view to determining their age and soundness.—A. I did, sir.

By Mr. Boys:

Q. Tell us exactly what you did, first as to age.—A. I first asked the gentleman how old the horse was. In some cases they told me and in some cases they did not tell me. As to my judgment, I examined their mouths and looked them over.

Q. As to age, did you do anything besides examining the mouth?—A. No.

Q. Is that in your opinion a certain test as to age?—A. It is the only test you can make.

Q. I am not asking you that, I am asking you if in your opinion it is a certain test as to age?—A. Yes, sir.

Q. Up to what age?—A. Up to twelve or fifteen years old.

Q. To what extent could a man, not of extraordinary but ordinary experience, be deceived in a horse not older than fifteen years, if his teeth were not filed?—A. Soft teeth wear down very quickly and make the horse appear older.

Q. I am not asking you for reasons. I am asking, to what extent, could a man of ordinary experience be deceived in a horse not older than fifteen, providing his teeth were not filed?—A. I don't understand the question.

Q. Can you be out a year or two or three years, or only some months?—A. Several years.

Q. You say several years?—A. Yes.

Q. I don't think you understand my question, or else the knowledge I have on the subject is all wrong. Take a horse of eight years of age, without his teeth being filed, and you examine him, can you with certainty tell he is eight years of age?—A. Yes.

Q. Would you be out in your estimation more than six months?—No, sir.

Q. Well then, let me put my question to you again: Providing the horse you are examining is not more than fifteen years of age, that his teeth have not been tampered with, and that you are a veterinary of ordinary experience, to what extent can you be out after the examination, in fixing the age of the horse.—A. Less than a year.

Q. Now, did you make a thorough examination as to soundness?—A. Well, I looked the horse over and had him trotted up and down.

Q. What do you mean by looking a horse over?—A. I walked carefully round him and had him moved off so that I could see whether he was sound.

Q. You moved him around, walking and trotting?—A. Both walked and trotted.

Q. Did you feel them at all?—A. In some cases, not in every case.

Q. Why did you not feel them in all cases?—A. A good horse a veterinary surgeon is not supposed to handle at all.

Q. In other words, if the horse stepped round lively and a man of reasonable skill is watching, he can tell without feeling?—A. Yes, sir.

Q. Well then, why did it ever become necessary to feel?—A. In some cases where you detected a horse going away stiffly you would examine the legs.

Q. You would go to the joint, or wherever it was, and make a more careful examination?—A. Yes, sir.

Q. What about the eye tests?—A. The which?

By Mr. Boys:

Q. The eyesight?—A. Well, you examine the eyesight by looking at the eye.

Dr. CHIPMAN.

By Mr. Blain:

Q. That is just for the eyesight?—A. Yes, sir.

Q. Do I understand that this method of detailed examination that you referred to was practised in the case of every horse at Kentville?—A. So far as I was concerned, yes.

By Mr. Rhodes:

Q. How many horses were presented for sale at Kentville, so far as you estimated?—A. I was only there one forenoon.

Q. How many while you were there?—A. Somewhere between 75 and 100 horses.

Q. Was there another veterinary there with you?—A. Yes, sir.

Q. How many horses did you yourself examine and pass upon?—A. I passed somewhere about 8 or 10 horses.

Q. At Kentville, as nearly as you can give it?—A. Yes, sir.

Q. Could you say how many you examined before you passed that number?—A. Probably 30.

Q. And were the balance rejected by you for cause?—A. For unsoundness and age.

Q. Do you say that the horses passed by you at Kentville were sound horses?—A. I do.

Q. And suitable for the purposes for which they were being introduced?—A. Yes, sir.

Q. I may as well ask you at this stage, Doctor, what remuneration you got for your services?—A. I got paid by the day.

Q. How much per day?—A. \$10, and I paid my expenses.

Q. You paid your own expenses out of that sum?—A. Yes, sir.

Q. Do you remember how much you received altogether?—A. \$40.

Q. And how were you paid?—A. By cheque.

Q. By cheque from whom?—A. I think it was made out—I don't remember.

Q. Did it come from the Government?—A. It came from the Government; yes, a Government cheque.

Q. It came from Ottawa?—A. Yes, sir.

Q. Is that all the money you received, directly or indirectly, in consequence of your examination?—A. Yes, that is all.

Q. I think you have said you were at Kentville for half a day. Where did you go from Kentville?—A. Wolfville.

Q. Was there any other veterinary with you at Wolfville?—A. No, sir.

Q. Was your method of examination at Wolfville precisely the same as at Kentville?—A. Yes, sir.

Q. You examined the horses under the saddle the cavalry horses, did you?—A. With the exception of the horses that were bought from Tom. Hutchinson.

Q. How many horses of Hutchinson's did you pass?—A. Six.

Q. Can you recall how many of Hutchinson's horses you examined or looked over?—A. I think there were thirty.

Q. And out of thirty you selected six?—A. Yes, sir.

Q. Why did you not take the balance of those horses?—A. Some of them were not fit. Several greys were among them and we were not allowed to buy greys.

Q. Outside of Hutchinson's horses, did you have the cavalry horses placed under the saddle?—A. Yes, some of them; not all; some of them were in a wagon. Those that were hitched up—

Q. You tried them as to their action?—A. Yes, sir.

Q. Can you say how many horses you passed there, so far as you can recall at the moment?—A. About 28.

The CHAIRMAN: At Wolfville.

Dr. CHIPMAN.

APPENDIX No. 3

By Mr. Rhodes:

Q. Yes. How many did you examine altogether, as nearly as you can estimate?—A. 80 or 100.

Q. Will you say that the horses you examined at Wolfville were sound?—A. Yes, sir.

Q. And those you passed?—A. Yes, sir.

Q. And they were not over age?—A. No, sir.

By Mr. Davidson:

Q. Did you examine a horse belonging to John Selfridge at Wolfville?—A. Yes.

Q. What examination did you subject that horse to?—A. I examined him carefully; asked Mr. Selfridge if he was sound, which he said he was. I examined him and kept him there I should think two or three hours. I went back several times to look at the horse.

Q. Was there anything wrong or suspicious about him at all?—A. They said he had had a cough; I never heard him cough while he was there in that yard. He was there several hours, and I examined him, choked him.

Q. Did you put him through his paces?—A. Yes, sir.

Q. How long did you have him under observation?—A. He was there several hours, two or three hours, longer.

Q. And the reason you kept him so long under observation was to ascertain whether his wind was affected?—A. Yes, sir.

Q. And whether he had a cough?—A. Yes, sir.

Mr. CARVELL: Let the witness give his evidence.

The CHAIRMAN: It is a little leading.

By Mr. Davidson:

Q. From your observation, what opinion did you come to as to the horse's wind?—A. That he was sound.

The CHAIRMAN: Was there only one horse bought from Mr. Selfridge?

Mr. CARVELL: From John Selfridge.

By Hon. Mr. Reid:

Q. Did Mr. Selfridge give the age of that horse?

Mr. DAVIDSON: I think he said that.

By Mr. Rhodes:

Q. Where did you next examine horses?—A. Berwick.

Q. Were you there in company with any other veterinary?—A. Alone.

Q. What method of examination did you use there?—A. The same method, with the exception that the saddles were not used.

Q. Why were the saddles not used?—A. Well, we tried them out in the wagon instead, to save unharnessing them and saddling them.

Q. Why was that; were you pressed for time?—A. Yes, sir.

Q. For what reason?—A. The place where we examined them was not any too big and was crowded full of teams.

Q. How many horses would you estimate were presented there?—A. I would say there were 200.

Q. Excepting that they were not placed in saddle; they were examined by being trotted up and down under harness?—A. Yes.

Q. And was your examination in other respects thorough?—A. Yes, sir.

Q. How many did you pass there, as nearly as you can remember?—A. Somewhere about thirty or forty.

Q. How many of the two hundred did you examine?—A. I examined practically all.

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Q. And out of the total quantity you passed between thirty and forty?—A. Yes, sir.

Q. Some evidence was given by a man of the name of A. B. Harvey. Do you know A. B. Harvey?—A. Yes, sir.

Q. How long have you known him?—A. Fifteen or twenty years.

Q. Did you go to school with him, as a matter of fact?—A. He and his brother I think both went to school with me.

Q. You went to school with him?—A. Yes, sir.

Q. Mr. Harvey gave evidence that he sold a horse for \$150 at Berwick, and Mr. Harvey in the course of his evidence made the statement that this horse was sprung in the knees. Do you remember the horse?—A. Yes, sir, I do.

Q. Why do you remember it?—A. He was raised alongside my own home.

Q. How long had you known the horse?—A. I think he was ten years old.

Q. And you had known him during that whole period?—A. Yes, sir.

Q. Who raised him?—A. Mr. Beattie.

Q. And you are absolutely clear on that, that you knew the horse in question?—A. Yes, sir.

Q. Was the horse sprung in the knees?—A. He was.

Q. Will you describe the nature of this spring?—A. He was foaled that way; he was always that way; he was not badly sprung at all.

Q. Did this condition make the horse unsound or unserviceable?—A. No, sir.

Q. What particular knowledge have you of this horse which causes you to say that his spring did not make him unsound or unserviceable?—A. I have driven the horse myself, and Watermore at Kentville had him two or three years, and raced him over the ice and on half-mile tracks. He was a good little horse.

Q. Did he prove to be a good horse on the race track?—A. Yes, sir.

Q. A vigorous horse?—A. Yes, sir. They raced him with hobbles and he never stumbled with them.

Q. Would you say that this horse was suitable for a cavalry horse?—A. Yes, sir.

Q. What do you say as to the price paid, \$150, was it a fair price for the horse?—

A. If I wanted a driving horse or a saddle horse I would be perfectly willing to pay that much for him and more.

Q. What is your opinion as to the value of that horse?—A. It was worth about \$165.

Q. If you were requiring a horse of that nature would you pay that price for him?—A. I would.

By Mr. Boys:

Q. To what extent was he sprung? Was it very little or not?—A. You could notice it, yes, sir.

Q. I suppose you could, but I suppose there is a difference in the springing in horses?—A. Yes, sir.

Q. I want to know whether it was a bad case?—A. No, sir, it was not.

Q. If springing is of such a character as to really impair the utility of a horse, in what way does he show it particularly?—A. Instead of standing with his knees stiff he will tremble.

Q. And is it from stumbling that the trouble generally arises?—A. Yes, sir.

Q. You consider that racing him on the ice and on half-mile tracks would be a reasonable or severe test as to that feature?—A. Yes, sir.

Q. A reasonable or a severe test?—A. A severe test.

Q. I suppose jumping hurdles would still be harder, would it?—A. I do not think it would be any harder than racing over the ice.

Q. In your personal experience of this horse, have you ever seen the slightest ill effect from the springing?—A. No, sir.

Dr. CHIPMAN.

APPENDIX No. 3

By Mr. Rhodes:

Q. Do you know how much was paid Mr. Harvey for that horse?—A. No, sir.

Q. Mr. Harvey in his evidence said that at Berwick in his judgment 60 or 75 horses were examined. What do you say as to that statement? Here is the question: "How many horses did you say there were that day", and the answer was, "I do not know, I suppose there were 60 or 75, perhaps."—A. There were a great many more than that there.

Q. You still adhere to your statement about 200 horses being there?—A. Yes.

By Mr. Boys:

Q. I would like to know the conditions under which you did your work there. Practically there were 200 horses, and unless you had large accommodation in which to examine them the condition would be very congested?—A. It was.

Q. Will you describe the place where these horses were collected?—A. They were examined in what I suppose you would call the freight yard.

Q. What size would it be?—A. 400 or 500 feet long and 100 feet wide.

Q. That is the whole enclosure?—A. Yes.

By Mr. Carvell:

Q. Was there a big warehouse there?—A. I would call it a freight yard.

By Mr. Boys:

Q. Were they to be shipped from there after examination?—A. Yes.

Q. Was that why you arranged for that place?—A. I do not know. I did not arrange for it.

Q. You did not arrange for the place anyway?—A. No.

Q. All that you know is that you were brought there to make the examination, and being in proximity to the railway track you concluded that was the object in selecting that place?—A. Yes.

Q. Would you say there was congestion in the yard?—A. Yes.

Q. Even if there was, did that congestion interfere with your examination of the horses?—A. No, only in that it was harder for me to examine them.

Q. You mean that it was harder in that there was not the opportunity to step the horses around, that is what you mean?—A. Yes.

Q. What about the farmers themselves, did each one patiently wait his turn, or did they sometimes get impatient to get their horses examined, which tends to confuse and hurry?—A. Eight or ten of them at a time would be wanting me to examine their horses in a good many cases.

By Mr. Carvell:

Q. Is that any reason for passing inferior horses for sale to the Government?—A. No, sir.

By Mr. Boys:

Q. I think Mr. Harvey's evidence dealt with the age in particular. Was there anything there which interfered with you particularly in ascertaining the age of the horses?—A. No, sir.

By Mr. Rhodes:

Q. Where did you next examine horses?—A. At Kingston.

Q. And can you say how many, in your judgment, was presented there for sale? Did you examine as many as at Berwick?—A. About the same number as at Berwick.

Q. About 200, you do not pretend that is more than an estimate?—A. No.

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Q. About how many did you pass there?—A. Somewhere between 70 and 80, I think.

Q. Were you accompanied by any other veterinary there?—A. No, sir.

Q. You examined all the horses?—A. Yes, sir.

Q. Did you examine all that were presented for sale?—A. Not all of them.

Q. How did you come not to examine them all?—A. Sometimes for the reason that if a very good looking horse were offered I would ask the price and they would want \$300.

Q. And you could not afford to pay that price for them?—A. Well, now, I presumed they would not pay that price for them.

Q. You, however, examined every horse for soundness and age, or you rejected them on account of the price being so high?—A. Yes.

Q. And did your method of examination there follow the same course as in previous cases?—A. Yes.

Q. You examined each horse as carefully as you could under the circumstances?—A. Yes.

Q. Now, Mr. Harvey made the statement that he sold four horses at Kingston. What do you say as to that statement?—A. I remember one brown horse; I think it was either a dark bay or a brown, I just forget which.

Q. What do you say now as to the statement that you examined and passed four of his horses?—A. I don't remember doing so.

Q. Is it quite true that you examined four of his horses?—A. I might have, but somebody else had them, if they were his, I am certain of that.

Q. You didn't examine, for him, four horses?—A. No.

Q. You say you did not examine more than one for him?—A. That is all I remember.

Q. I do not want to put an answer in your mouth, but anything that Mr. Harvey brought in undoubtedly you would be apt to recall as his horses; I mean to say you would be apt to have a clearer recollection in respect of his horses than of the horses of other people?—A. No, sir, I don't think I would.

By Mr. Davidson:

Q. From your knowledge of Mr. Harvey, would you examine his horses more carefully or less carefully than the horses of other people?—A. He has been dealing in horses quite a lot.

Q. What is that?—A. He is a horse dealer, I believe.

Q. That is not answering my question. From your knowledge of Mr. Harvey would you be inclined to examine his horses more carefully than you would the horses of others?—A. Yes, sir.

By Mr. Rhodes:

Q. Mr. Harvey in his examination made a statement that he only knew you by sight. I put the question to him:

You know Dr. Chipman quite well, do you?—A. Yes.

Q. Is he a competent veterinary surgeon?—A. I do not know, I just know him by sight, I do not know anything about him."

You say you went to school with him?—A. Both he and his brother went to school with me at the same time at Grand Pré.

Q. How far apart have you lived for a large portion of your life?—A. He lived in Hantsport, seven miles from Grand Pré.

Q. And you have known him, you say for twenty years?—A. Fully that long, yes.

Q. Now Mr. Harvey made the statement here that he sold one horse which was thirty years of age?—A. If he did I didn't pass it.

Q. And you passed all the horses that were purchased at Kingston?—A. Yes.

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Q. Do you remember the horse which you say you did examine of Harvey's at Kingston?—A. It was either a brown or a dark bay, I think, I forget whether it was a mare or a gelding.

Q. I beg pardon?—A. I do not remember whether it was a mare or a gelding.

Q. Did you examine the horse as to age?—A. Yes, sir.

Q. And how old was it to your recollection?—A. Ten years old.

Q. Was it sound?—A. Yes.

Q. Did you examine horses at any place other than Kingston?—A. No, sir.

By the Chairman:

Q. Other than those places you have already spoken of? That is the last place you examined at?—A. Yes.

By Mr. Rhodes:

Q. The four places you examined horses at were Kentville, Wolfville, Berwick and Kingston?—A. Yes.

Q. Did you put any mark of identification on these horses or ticket them in any way?—A. They were ticketed, yes.

Q. Describe the method of ticketing?—A. There was a duplicate tag. I put a number on that duplicate which was attached to the horse's halter and that number corresponded with the number on the other half of the tag upon which I also marked the age, the height, the colour of the horse and whether it was for artillery, cavalry or draught.

Q. Would this description be on both halves of the ticket?—A. No, sir.

Q. It would be on the half that was torn off?—A. Yes, sir.

Q. What did you do with that half?—A. That was handed to Mr. McKay.

By the Chairman:

Q. What was that ticket made of?—A. Cardboard, something stiff like cardboard.

Q. Was it tied on with a string?—A. Yes.

Q. The string went through the perforation?—A. Yes.

Q. And it was tied to the halter?—A. Yes.

Q. It could be easily detached?—A. Yes.

By Mr. Boys:

Q. As I understand it was a card with a perforation dividing it into two parts?—A. Yes.

Q. And the part that was affixed to the halter had nothing on it but the number?—A. Nothing but the number.

Q. And the other had the information in addition to the number for McKay's private use?—A. Yes.

Q. I think you said you sometimes asked the price of the horse?—A. I did, sir.

Q. Was that in any way communicated to Mr. McKay?—A. In some cases I put the price of the horse on the back of the card.

Q. That would be on the back of the half that contained the information, and not on the one that had the number only on it?—A. Yes, just on the back of the one with the information on.

Q. Would Mr. McKay know what that meant?—A. Yes.

Q. How would he know?—A. Well, he would know the price that the man was asking.

Q. In other words, that was the method of operation arranged?—A. Yes.

Q. Was that supposed to be the farmer's final price, or merely what he asked you?—A. Merely what he asked me.

Dr. CHIPMAN.

By Mr. Rhodes:

Q. Mr. Harvey, in his evidence, made the statement that at Kingston he sold a horse which was at least 18 years of age and spavined on two legs? What do you say as to that?—A. I do not remember any such horse.

Q. Would you remember if such a horse were passed, spavined on two legs and 18 years of age?—A. Yes, sir.

Q. I think, speaking from memory, he made the statement that these spavins could be seen with the naked eye?—A. Yes, sir.

Q. What do you say as to that statement?—A. I do not remember.

Q. Might it be true?—A. No, sir.

By Mr. Davidson:

Q. In other words, you did not put a ticket on any horse at Kingston for this man Harvey, having two spavins?—A. No, sir.

By Mr. Boys:

Q. You have spoken about the spavins. Dealing with the age, did you put a ticket on any horse, from start to finish, over ten years of age?—A. No, sir.

By Mr. Rhodes:

Q. Now, I want to call your attention particularly to a portion of the evidence given by Mr. Harvey. He was speaking with respect to horses which he sold; he says that there were spavins which were quite apparent to the naked eye; that Dr. Chipman put the tickets on these two horses; one horse had a lump on his knee that could be seen with the naked eye. I put this question to him:

Q. What was the matter with that one?—A. He had a lump on his knee.

Q. You (Harvey) could see that?—A. Oh, yes.

Q. Chipman looked over it this time, and did he see the spavins?—A. Yes.

Q. Did he (Chipman) call your attention to them?—A. Yes.

Q. What took place between the two of you?—A. He (Chipman) did not say much.

Q. He (Chipman) passed them?—A. He (Chipman) passed them.

What do you say to that statement?—A. I did not pass them. In quite a number of cases I put tickets on horses that were not accepted by Mr. McKay.

Q. Did you put tickets on any horse that had spavins?

Mr. CARVELL: Let us have that answer again?

The CHAIRMAN: He says in a number of cases he put tickets on horses that were not accepted by Mr. McKay.

By Mr. Rhodes:

Q. Those horses you put tickets on, were they sound?—A. In some cases the tickets were put on, I think, with, on the back, spavined and so on. I left that to Mr. McKay whether to buy them or not. That was none of my business.

Q. Were they serious spavins?—A. Not that I remember of, no. Any horse that was going lame I did not put a ticket on him at all, I did not bother with him.

By Mr. Boys:

Q. If a horse had had a spavin could he still be fit for the purpose wanted?—A. You could take it as a serviceable sound horse, yes.

Q. There are degrees of spavins, like any other trouble?—A. Yes, sir.

Q. You say that there were instances where a horse had a spavin, and where you marked on the ticket that he had a spavin?—A. Yes.

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Q. Are we to understand from that that, notwithstanding the spavin, the horse in your opinion was fit for the purpose intended, if it could be bought at a satisfactory price?—A. Yes.

Q. That is what you want us to understand?—A. Yes.

Q. And you say that there was no case in which you did—let us understand to what extent this practice existed: out of all such horses how many would you say you did send on to Mackay with a ticket marked spavined?—A. I could not say.

Q. Would it be half a dozen in the whole outfit?—A. Probably more.

Q. Would it be a dozen?—A. Possibly not more than that.

Q. In all that you passed?—A. Yes.

Q. And do I understand from your evidence that in each of these cases the spavin was slight?—A. Yes, sir.

By Hon. Mr. Reid:

Q. Not of sufficient growth to injure the horse for the work they were buying him for?—A. Yes.

Q. In your opinion?—A. Yes.

By Mr. Boys:

Q. Do you know, as a matter of fact, whether or not some of the ones so marked spavined were not purchased by Mackay? Do you know that of your own knowledge?—A. Yes.

Q. You do? Can you say to what extent in that estimate of 12 that would be the case?—A. No, I could not.

By Hon. Mr. Reid:

Q. Do I understand you to say, that so far as your recollection is concerned Harvey only offered one horse for sale to you at Kingston?—A. Yes, that is all I remember.

Q. Do I understand you also to say that when Harvey swears that he sold to you several horses between the ages of 18 and 30 he states what is absolutely false?—A. I should say so.

By Mr. Boys:

Q. Have you any doubt about it?—A. He might have had somebody else sell the horses. I do not remember of only one horse.

Q. I don't care if he did have somebody else. If I understand your evidence correctly the teeth test is a certain test?—A. Yes.

Q. And there was not a single horse that you did not put through that test?—A. No, sir.

Q. If that be so would it be possible for either Harvey or anybody else to pass a horse really 18 to 20 years of age to say nothing of 30?—A. No, sir.

Q. Do you say positively that there was not a horse passed by Harvey or anyone else above over 10 years of age?—A. No, sir.

Q. "No, sir," or "yes, sir"?—A. Yes, sir.

Q. I would like to know at the outset how it was you came to fill the position of veterinary surgeon in connection with this work?—A. I received a telegram, I think it was somebody from Ottawa, I think it was Keefer, I am not sure, I forget now.

Q. Who was it first spoke to you and engaged you?—A. The telegram, and I went over to Mr. Oakes' office.

Q. Where, what town?—A. Kentville.

By the Chairman:

Q. Have you the telegram with you?—A. No, sir, that was six months ago.

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By Mr. Boys:

Q. You say that you saw this man Oakes when you had this offered you?—A. Yes.

Q. Was there anybody else but Oakes? Did anybody else arrange for your services but Oakes?—A. No, sir.

Q. I think you have told us what the arrangement was: you were to get \$10 a day and pay your own expenses?—A. Yes.

Q. And that was the only arrangement under which you operated?—A. Yes.

Q. Have you had any reward for your services, directly or indirectly, by any person whatsoever, other than \$10 which you refer to?—A. No, sir.

Q. Was there any secret commission, graft, or other allowance at all held out to you in connection with this transaction?—A. No, sir.

Q. Was there any talk about graft at any stage?—A. No, sir.

By Mr. Davidson:

Q. Did anyone offer you graft?—A. No, sir.

Q. Did any one ever offer you money for passing his horse?—A. No, sir.

Q. Was there ever a conversation, did you ever hear the matter of graft discussed while you were on this matter?

Mr. CARVELL: Mr. Chairman, hold on.

Mr. DAVIDSON: I don't think my hon. friend can curtail this investigation, this is not a dark lantern brigade, this is wide-open.

The CHAIRMAN: What is the point?

Mr. DAVIDSON: I am asking if he discussed while he was employed on this matter the question or possibility of getting graft.

Mr. CARVELL: He himself getting graft?

Mr. DAVIDSON: That is what I am asking.

The WITNESS: No, sir.

Mr. WARNOCK: With the permission of the committee I would like to ask Doctor Chipman a few questions.

The CHAIRMAN (Mr. Bennett, Simcoe): All right, go ahead, Doctor.

By Mr. Warnock:

Q. I want to tell you to begin with, that I am a member of the veterinary profession?—A. Yes, sir.

Q. A little jealous for the honour of the profession.—A. Yes, sir.

Q. How long were you examining the horses purchased at Kingston?—A. Probably six to seven hours.

Q. And on that occasion you examined how many?—A. Between 70 and 80.

By Mr. Carvell:

Q. You passed between 70 and 80. You said before that you examined 200.—A. Examined somewhere about 200.

By Mr. Warnock:

Q. How long does it take to examine a horse properly as to soundness?—A. You must remember that in some of these cases the price was too high and I never examined them at all, never touched them.

Q. I understand that. I may tell you, to be fair with you, that I have examined a body of horses for the Imperial and Remount authorities both in Britain and in Canada, and I have had a good deal of experience along that line.—A. Yes, sir.

Q. No doubt many of the horses you looked at were palpably sound?—A. Yes.

Q. And you passed 70 or 80. What was the average time you spent in examining these 70 or 80?—A. Oh, I could not swear to that.

Q. You did it in about 6 or 7 hours I think you said?—A. Yes, sir.

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Q. Would it not take a veterinary surgeon at least 15 minutes to even superficially examine one of these horses?—A. I suppose it would.

Q. Quite 15 minutes. Have you ever bought remounts before?—A. No, sir.

Q. Do you know that it is absolutely essential that all remounts should be sound in wind and eyesight?—A. Yes, sir.

Q. It is absolutely essential?—A. Yes.

Q. A blind horse or short sighted horse, or broken winded horse—that is a roaring or a heavy horse would be absolutely worthless for that purpose?—A. Yes, sir.

Q. Then how long would it take you to examine a horse as to the soundness of his wind?—A. It would take 24 hours if you did it thoroughly.

Q. Probably, but doing it this way, how long would it take?—A. Well, you would turn him round several times in the regular way of doing it, and so on.

Q. Would you not, as an essential to that examination, put a man on his back and gallop him?—A. In a good many cases they were driven. They were driven in a wagon.

Q. Is it not just as essential that an artillery horse should be sound in wind and limb, as a cavalry horse?—A. Yes, sir.

Q. If you were examining an artillery horse, would you not harness him up and get a man to gallop him?—A. Yes, sir.

Q. How long would that take?—A. It would not take very long to get him up the street and back again.

Q. From 15 to 20 minutes from the time you harness him, and if you were at all suspicious you would give him half a mile at a pretty swift gait?—A. Yes, sir, but it would not take over five minutes to go the half mile.

Q. It would take probably 5 minutes to harness him, a few minutes to hitch him up and start him off, and another 5 minutes to drive him the half mile. It would take about 15 minutes altogether. Did you have any other person to assist you in determining as to the soundness of the horse?—A. No, sir.

Q. And you examined 70 or 80 in a day?—A. My experience has been that if I examined 5 or 6 in an hour I was working pretty fast.

Q. Now, when you examined the 70 or 80 horses you had nobody assisting you who looked at the horses and threw aside any he was quite satisfied were not worth your while looking at?—A. Yes, in some cases I did.

Q. With that assistance did you pass those 70 or 80 horses?—A. Yes, sir.

Q. Did you devote any considerable time to examining the eyes of these horses?—A. I looked at their eyesight.

Q. You did not handle them?—A. No, sir.

Q. You just merely looked at the eyeball?—A. Yes, sir.

Q. With regard to the age of these horses you only looked at the incisor teeth?—A. That is all, sir.

Q. If you found a horse showing symptoms of unthriftiness, that is, he was thin and otherwise unthrifty, with a rough coat, don't you think it was incumbent upon you to examine his molar teeth?—A. In a way, yes.

Q. Did you do that?—A. No, sir.

Q. You know that an unthrifty horse, or a horse of unthrifty appearance is very likely to be suffering from decayed molar teeth?—A. Or worms.

Q. A horse of 18 or 19 years of age would be likely to show an unthrifty appearance. Did you examine any of the molar teeth in any of these horses?—A. No, sir.

Q. Do you agree with me when I say that would be essential in a horse going out for active service where he would be probably away from all veterinary dentists assistance?—A. If you found them with decayed molar teeth would you have time to fix them up, or would you just condemn the horse?

Q. Would you not reject such a horse?—A. No, sir, I would not reject it.

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Q. I don't agree with you. I certainly would have condemned them, and if you had drawn their condition to the attention of an experienced remount officer he would have had nothing to do with them.

Hon. Mr. RED: I have no objection to your examining the witness thoroughly, but if you want to make speeches you had better wait until the examination is over. Then you can make all the speeches you want.

By Mr. Warnock:

Q. You examined these 70 or 80 horses in 6 or 7 hours?—A. Yes, sir.

Q. And you think you examined them thoroughly?—A. I did, to the best of my opinion.

By Mr. Davidson:

Q. Your home is in Kentville?—A. Yes.

Q. How did you go from Kentville to Wolfville?—A. In an auto.

Q. Who went with you in the auto?—A. Mr. McKay.

Q. Anybody else?—A. Mr. McGinnis drove the car.

Q. You told me that no person made to you directly a suggestion of graft. Was there any conversation in reference to the possibility of making graft in your presence?—A. I would rather not say.

Mr. DAVIDSON: I think, Mr. Chairman, the witness should be compelled to answer.

The CHAIRMAN: Who was present on that occasion?

Mr. DAVIDSON: He says Mr. McKay, and the chauffeur, Mr. McGinnis.

The CHAIRMAN: I can see no objection to answering the question.

By Hon. Mr. Reid:

Q. Did you hear any conversation between McGinnis and McKay with reference to any graft?—A. No, sir.

Q. Did you hear a conversation with anybody?—A. Yes, sir.

Q. Who was it? If there was any graft we want to know about it. A. It was not in connection with this horse transaction. It was in connection with the South African War.

Mr. DAVIDSON: I understood the witness to say that a suggestion of graft in this transaction was made in his presence to somebody else.

Hon. Mr. RED: If it concerned the South African war, it is not worth while going into that to-day. If there was any suggestion of graft in connection with this purchase of horses I want to know who it was, so that we may deal with the offender.

By Mr. Davidson:

Q. Did you hear any one suggest not to you personally, but to anybody else, that graft could be made in this transaction?—A. Yes, sir.

Mr. CARVELL: Hold on now.

The CHAIRMAN (Mr. Bennett): I think that is a fair question.

By Mr. Davidson:

Q. Tell us how it was, and who he was.

Mr. CARVELL: He said it was in connection with the South African war.

Hon. Mr. RED: If Dr. Chipman knows, or has any idea of any graft in connection with this matter, I think we ought to know it.

Mr. CARVELL: No doubt in the world about that.

The CHAIRMAN (Mr. Bennett): If it refers to the South African war, do not answer; if it is in reference to this transaction you may answer.

Mr. CARVELL: That is fair.

WITNESS: There was no graft mentioned—

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By Hon. Mr. Reid:

Q. In connection with the horses that we have been discussing, at the four places you visited Kentville, Wolfville, Berwick, and Kingston—A. No, sir, only the suggestion that we could have made graft.

By the Chairman:

Q. As to those horses?—A. As to those horses. He said he knew there was a lot made in the South African war, because he was buying horses himself.

By Hon. Mr. Reid:

Q. No action was taken on the suggestion?—A. No, sir.

By Mr. Davidson:

Q. Who was the man who suggested that he could make graft in this transaction?

Mr. CARVELL: I want it to be understood that if some person's good character is attacked here, we will ask Parliament to stay until the man has an opportunity to come here.

By Mr. Davidson:

Q. Who was the man who suggested in your presence that graft could be made out of this transaction; what is his name?

The CHAIRMAN (Mr. Bennett): What I ruled was this: I said not to answer the question if it was referable to the South African war, and I still think so, and I stick to that. If he is going to say that one man said there was money made in the South African war, and there might be money made in this transaction, I do not see the connection.

WITNESS: That was what was said.

Mr. DAVIDSON: I think that if any person has gone to the officials of the Government and urged them, or suggested to them, that they should deal dishonestly in this matter, that they should make graft, I think this committee should know who it was.

The CHAIRMAN: Establish that, that some one came to him and suggested that something illegal should be done.

WITNESS: This gentleman did not suggest to do it, but he suggested it could be done.

Hon. Mr. REID: I think if any one suggested that and any action was taken upon that suggestion, we want to know who it was.

The CHAIRMAN: I will allow that question.

Mr. DAVIDSON: Who was that man?

Hon. Mr. REID: I will ask the question. In connection with the purchase of horses at Kentville, Wolfville, Berwick, and Kingston, did any one suggest to you or in your presence to join with you for the purpose of making graft out of those horses?—A. No, sir.

Mr. MCKENZIE: I asked Mr. Rhodes at the start if he was going to find out whether any record was kept of the horses by the veterinary, and he said he would deal with that later on.

Mr. RHODES: I dealt with the questions of tickets, that is all the record there is.

By Mr. Carvell:

Q. I want you to state in a consecutive manner what took place leading up to your appointment as veterinary for the purpose of buying those horses?—A. What took place, sir?

Q. Yes, what took place?—A. Well, posters were put out, I believe; I had nothing to do with that.

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Q. I only want to know so far as you know; who approached you first?—A. I got a telegram from Ottawa—I forget who it was from; I think it was Keever—that I was appointed to examine horses, myself and Wood.

Q. About what date would that be?—A. I do not remember.

Q. Who is this Mr. Keever, do you know?—A. I don't know.

Q. When did you first meet him?—A. At Kentville, the day he started buying horses.

Q. How long did he remain in Nova Scotia, so far as you know?—A. As soon as we finished buying horses.

Q. How long would that be?—A. Four or five days, I think.

Q. Have you ever seen him since?—A. No sir.

Q. Have you ever heard from him since?—A. No sir.

Q. Do you know where he is?—A. No sir.

Q. Did you have any talk with Mr. Foster about this before you commenced the operation of buying?—A. No sir; I did not see Mr. Foster at all.

Q. I think you said you went to Mr. Oakes with the telegram?—A. Yes, sir.

Q. Why did you go to Mr. Oakes?—A. Well, I wanted to see what there was in it, what it meant, and he was the only man I knew to go to.

Q. Why did you go to him; what position did he occupy?—A. He is secretary for Mr. Foster.

Q. And he is known as such in Kings county?—A. Yes, sir.

Q. What information did he give you?—A. He said it was so, that I had been appointed.

Q. Did he give you any instructions?

By Mr. Davidson:

Q. Did you say he was Mr. Foster's secretary?—A. The secretary of the Conservative party, I believe.

By Hon. Mr. Reid:

Q. That is what you mean when you said he was Mr. Foster's secretary?—A. Yes sir, he is secretary of the Conservative Association.

Q. What you mean is that he is secretary of the Conservative Association, and not of Mr. Foster personally; is that what you mean?—A. Yes sir.

By Mr. Carvell:

Q. Did he give you any instructions?—A. Not any more than that I helped him with the list of posters for the different places at different dates.

Q. You arranged the itinerary?—A. I wrote out a schedule.

Q. That is what I call the itinerary. You were to be at Kentville one day, at Wolfville another day, at Berwick, and Kingston and so on?—A. Yes sir.

Q. Did this itinerary cover any places other than the four you have named?—A. Canning and Windsor.

Q. Did you go into the county of Annapolis at all?—A. No, sir; I went to Middleton.

Q. When did Mr. Keever appear on the scene?—A. The first I saw of him was the first day we bought horses at Kentville.

Q. Mr. Keever was there, was he?—A. Yes sir.

Q. What instructions did he give you?—A. None whatever, that I remember of.

Q. Did you have any talk with him at all?—A. No sir, not privately. Mr. McKay was present, and Wood also, and I think Oakes.

Q. What did Mr. McKay tell you? We have the evidence that Mr. McKay was the man who paid the money for those horses, that he was the man who purchased the horses. That is the evidence that we have here. What Mr. McKay is it?—A. I never met him until that day; I did not know him, and I don't know him.

Q. There was a Mr. McKay who professed to live in Truro, and he was here and gave evidence. Do you know that this man professed to live in Truro?—A. Yes sir.

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Q. You know as a matter of fact that he is a Truro man, don't you?—A. Yes sir.

Q. And that he is a son of ex-Senator McKay, of Truro?—A. I don't know.

Q. I only want to have no doubt about the identity of the man. Have you seen him since you came to Ottawa?—A. No, sir.

Q. What instructions did Mr. McKay give you?—A. He gave me none that I know of. The first day I did not know who I was going to buy with, and I did not know until the next morning where I was going, any more than by the schedule, and that he was going with me.

Q. Somebody must have given you some instructions, because you would not have known about those tickets?—A. I was to call at Mr. Oakes' office each morning, get my tickets, and was told where to go.

Q. You got instructions from Mr. Oakes?—A. Yes, sir.

Q. What instructions did Mr. Oakes give you as to the quality of the horses you were to examine?—A. None.

Q. None whatever?—A. No, sir.

Q. You have already stated, at least I think you have stated, that you were to purchase no horses more than ten years old?—A. There were posters all over the country.

Q. Does this look like one of the posters you used (handing witness poster)?—A. Yes, sir.

Q. That is not filled up for any places at all?—A. No, sir.

Hon. Mr. REM: It gives the ages here, five to eight years.

By Mr. Carvell:

Q. That says five to eight years?—A. My instructions were ten.

Q. Who gave you the instructions?—A. Mr. Oakes.

Q. You got some instructions other than the information you obtained from the posters, did you?—A. That is one of them; I don't remember of any more.

Q. You got instructions that they were to be ten years old, and not eight years old, from Mr. Oakes?—A. Yes, sir.

Q. Well, I think at this stage I will have this copied into the record (poster filed as follows):—

“MILITARY
HORSES WANTED

1. RIDING HORSES

Age 5 to 8 years, Height 15 to 16 hands, Weight 1,000 to 1,150 pounds.

2. ARTILLERY HORSES

Age 5 to 8 years, Height 15 to 16 hands. Weight 1,050 to 1,250 pounds.

3. DRAUGHT HORSES

Age 5 to 8 years, Height 15½ to 16 hands, Weight 1,250 to 1,400 pounds.

COLOURS:

Bays, Browns, Blacks, Chestnuts, Roans (no Greys or Whites).

ALL HORSES MUST BE SOUND, OF GOOD CONFORMATION, FREE FROM
BLEMISHES AND BROKEN TO HARNESS OR SADDLE.

Horses will be inspected at.on.

By authority of

LT.-COL. W. J. NEILL,

Remount Officer.

Parties with available horses kindly at once notify.”

Dr. CHIPMAN.

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Q. What other instructions did Mr. Oakes give you?—A. None that I remember of.

Q. Did all the posters that you had purport to be signed by Colonel Neill?—A. I do not remember.

Q. Now, did you get any other instructions from Mr. Oakes?—A. None that I remember of, no, sir.

Q. Did you get any instructions about sizes?—A. No, sir, only from the poster.

Q. Did you get any instructions as to weight?—A. No, sir.

Q. Any instructions as to colour?—A. No, sir.

Q. Any instructions as to the requirements for cavalry horses, other than what is in the poster?—A. Not that I remember of.

Q. When you started in to buy horses with Mr. McKay, you say that you got your instructions from Mr. Oakes, that you were to go to a certain place on a certain morning, and do business with McKay?—A. Yes.

Q. Did not McKay and you have some understanding as to what you were to do?—A. No, sir, the first morning I bought horses I was part of the time with Mr. Keever and part of the time with Mr. McKay.

Q. Now what instructions did they give you as to your duties on that first morning?—A. I was following out the posters.

Q. Well, did they tell you you might pass horses that were spavined providing that in your judgment they were not very serious spavins?—A. No, sir.

Q. You did that on your own responsibility?—A. I did not consider that I was passing them, I merely put particulars on the ticket on the back, if they considered that passing.

Q. You were giving them all that information?—A. Yes.

Q. Did they tell you you might put a ticket on a horse that was spavined, providing that in your judgment it would not be a very serious one, or did they tell you you might do what you afterwards did?—A. No.

Q. They did not tell you that?—A. No.

Q. You did that of your own motion?—A. Yes.

Q. And sent the horses on to them?—A. Yes.

Q. Did they give you any limit as to what price horses they were to buy?—A. No, sir, they didn't tell me, only I heard them say once or twice that horses that were \$300 they were not paying that much for them.

Q. Did you hear them say they were not paying \$200?—A. No, sir.

Q. Then the only limit you know of was that you say you heard somebody saying they were not paying \$300?—A. Yes.

Q. And have you given to the committee all the instructions you received from Mr. McKay or Mr. Keever, or the Government?—A. Everything.

Q. And those instructions were such as you have stated to this committee, to examine these horses, and Mr. Oakes gave you the tickets?—A. Yes.

Q. What did he tell you when he gave you the tickets?—A. He didn't tell me anything, it was all to be filled out, their height, colour, age, and so on, on the bottom part of the ticket.

Q. Did he give you any instructions what to do with the ticket?—A. He did not, but there was a string on it to be tied on the horse's halter.

Q. Without any instructions whatever you knew that part had to be tied on the horse's halter and that you were to hand the other part over to Mr. McKay or Mr. Keever, or whoever it might be?—A. Yes.

Q. All this was done without any instructions?—A. There was nothing more than I have mentioned.

By Hon. Mr. Reid:

Q. Did you fill those tickets in there yourself, or did the man you purchased the different horses from?—A. I filled it myself.

Dr. CHIPMAN.

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Q. Did you fill it first, or did you ask the man himself? Or did you fill it out after having examined the horses?—A. After having examined the horses.

By Mr. Carvell:

Q. You took the responsibility, you became responsible to Mr. McKay for the horses?—A. Yes.

Q. After you got through, or rather as you were going along, did you keep any record for yourself of the horses you had passed?—A. No, sir.

Q. Then you have no information whatever, to-day, of any man's horse that you examined, or any recommendation that you made upon it?—A. No, sir.

Q. And when you say you thought you bought only one horse, we will say from Carvell, at a certain place, you are relying entirely on your memory and not on any records?—A. Yes.

Q. You are relying entirely upon that?—A. Yes.

Q. Did you see anything of Mr. Foster at that time?—A. No, sir.

Q. Was Mr. Foster in Kings county during the time these purchases were going on?—A. Not that I know of.

Q. Do you know whether these horses were paid for by cheque or in money?—A. In money.

Q. You know that, do you?—A. Yes.

Q. Do you know where the money came from?—A. I suppose from Ottawa.

Q. Do you know Mr. Foster was giving his cheques to Mr. McKay for this money?—A. I signed three or four cheques, or drafts, I suppose they were.

Q. That is what I was coming at. (Cheques produced by Auditor General.) We will take those three piles of cheques, and suppose you pick out of them the number of cheques that you signed. (Cheques handed to witness.)—A. Number 1, dated August 28, \$8,750.

Q. Signed by whom?—A. By myself and Mr. Foster.

Q. And what Mr. Foster is it?—A. A. De Witt Foster.

Q. That is the member for Kings county, isn't it?—A. Yes.

Q. Do you know that to be his signature?—A. Yes.

Q. All right, now go on?—A. Here is another one, September 3, \$3,000.

Q. Signed by yourself and Mr. Foster?—A. Yes. Here is another one dated September 3, \$2,000.

Q. Signed by yourself and Mr. Foster?—A. Yes. There is another one on September 2, for \$1,344.

Q. Signed by yourself and Mr. Foster?—A. Yes. Another one, September 2, \$2,000.

Q. Signed by yourself and Mr. Foster?—A. Yes. Another one September 2nd, \$3,560.

Q. Signed by yourself and Mr. Foster?—A. Yes.

Q. Where are those cheques dated?—A. Kentville, Berwick, Berwick, Kentville, Kentville, Kentville.

Q. Have you any Kingston cheques?—A. I do not see any here for Kingston.

Q. Anyway I find that these cheques you have referred to figure up to between \$19,000 and \$20,000?—A. Yes.

Q. I find you have signed cheques aggregating between \$19,000 and \$20,000, and these were drawn by Mr. Foster?—A. Yes.

Q. How in the world did you get these cheques signed by yourself and Mr. Foster without seeing Mr. Foster?—A. I signed them, I know nothing about Mr. Foster signing them.

Q. Was not Mr. Foster's signature on them when you signed them? Or was someone carrying cheques around with Mr. Foster's signature on them?—A. I do not know anything about them.

Q. Who produced these cheques to you to sign?—A. Mr. Keever.

Dr. CHIPMAN.

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Q. Mr. Keever had cheques signed by Mr. Foster and brought them to you to get you to sign them?—A. Yes, I signed them.

Q. You signed them?—A. Yes.

By Honourable Mr. Reid:

Q. Each cheque specified the number of horses?—A. Yes.

By Mr. Rhodes:

Q. Are you sure it was Mr. Keever presented these cheques to you for signature, or might it not have been Mr. Oakes?—A. As a matter of fact, I think it was Mr. Oakes, they were both there together.

By Mr. Carvell:

Q. Mr. Oakes and Keever were there together?—A. Yes.

Q. In every case?—A. Yes.

By Honourable Mr. Reid:

Q. Let us finish this up, all these cheques, signed by Mr. Chipman, specify the number of horses. Here is a cheque for \$8,750, which says, "\$8,750 for 52 horses". A. Yes.

Q. Did you go over these cheques with Mr. Keever, or whoever it was, and figure out the cost of these horses in order to see that the amount \$8,750 was correct before you signed the cheque?—A. No sir, I did not.

Q. You did not do that?—A. No.

Q. It was either Mr. Keever or Mr. McKay, whoever it was, handed you these cheques—it is Mr. Keever that this is payable to?—A. Yes.

Q. Mr. Keever is the man that filled out this cheque and you signed it?—A. I suppose so.

Q. For 52 horses. The same way with these others.

By Mr. McKenzie:

Q. There were 52 horses there. What was before you to satisfy you that those were 52 horses that you examined when you signed that cheque?—A. Not any more than I was asked to sign it.

Q. That is all?—A. Yes.

By Mr. Carvell:

Q. You signed it?—A. Yes.

Q. Did they tell you that they had figured up the sales and they amounted to that much money?—A. No sir.

Q. Well, Doctor, don't you think that you signed those cheques before the sales took place in order to get the money to purchase the horses with?—A. I don't think so.

Q. You think the horses had actually been purchased and paid for before you signed those cheques?—A. Yes.

Q. Anyway you could have had no record of the horses that you passed? Would you know whether Mr. McKay or Mr. Keever or any other person bought all the horses that you passed?—A. How was that again?

Q. Would you know that they bought all the horses that you had passed?—A. No sir.

Q. You simply had to take their word that the cheque represented the number of horses which it purported to represent?—A. Practically, yes.

Q. Would it be absolutely so?—A. I know the amount of horses that was shipped from each place.

Dr. CHIPMAN.

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Q. Do you mean to say that those cheques were not issued before the horses were shipped?—A. As far as I know they were not.

Q. As far as you remember the cheques were not issued until after the horses were shipped out?—A. After they were shipped out.

By Mr. Foster (Kings):

Q. You mean on the cars?—A. No, I would not say that.

Mr. CARVELL: I thought not.

The WITNESS: In some cases, in Kentville, the horses were there three or four days after they were bought.

By Mr. Carvell:

Q. Then the cheques must have been issued before they were shipped in that case?—A. I should imagine so.

Q. I think there is no doubt about it at all.—A. I do not know. I signed the cheques, and that is all.

Q. That is about all you know. And you trusted the other men to do the thing straight?—A. Yes.

Q. I thought that is about the answer to it. That is all we want.

By Mr. Rhodes:

Q. You say you knew the number of horses shipped from each place?—A. I did at the time. I do not know from Kentville. I remember at the time all except Kentville, Canning and Windsor.

Q. That is to say, where you were?—A. Yes.

By Hon. Mr. Reid:

Q. Only where you were you know anything about what were shipped out?—A. Yes.

By Mr. Rhodes:

Q. Did you know at the time that the number of horses were purchased for which you signed cheques?—A. Yes.

Q. Representing that number?—A. Yes.

By Mr. Carvell:

Q. How did you know that, Doctor?—A. Well, I think the number of horses was put on the cheques.

Q. Did you keep any record? in any memo. of your own, of how many had been purchased?—A. No, sir.

Q. How did you know that was the same number on the cheque?—A. By counting up the tags and the horses after they had been bought.

Q. Did you count up the tags?—A. No, sir.

Q. Don't let these gentlemen drag you away from the truth?—A. I was present when they were counted by Mr. Mackay.

Q. You were present and saw them counted?— (No answer.)

By Mr. Rhodes:

Q. And the transaction was fresh in your mind at the time?—A. Yes.

Q. Although you have no record of it at that time, your count would be accurate?—A. Yes.

By Mr. Boys:

Q. Would there be any difficulty at that time of making an actual count by the use of the tags?—A. Not that I know of.

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Q. Let me understand it. From your standpoint each horse that you passed had this tag?—A. Yes.

Q. Unless they were subsequently rejected there would be a horse purchased for every tag you put on?—A. Yes, sir.

Q. And they made the rejections?—A. Not necessarily.

Q. Why not?—A. In case I tagged the horse I gave the duplicate to Mr. Mackay. He need not have bought the horse.

Q. Listen to my question; as far as you are concerned every horse that you passed had this tag?—A. Yes.

Q. And the tags would represent the number of horses, when they rejected some?—A. Yes.

Q. In which case they would keep track of it themselves?—A. Yes.

By Mr. Carvell:

Q. Now, Doctor, you say that some of the horses which you tagged were not purchased?—A. Yes.

Q. If Mr. Mackay and Mr. Keever were so minded could they have put on the table tags representing horses that they did not purchase when you came to check them up?—A. No, sir.

Q. Why not?—A. Unless they made out tags of their own.

Q. Let us go over this again. You passed, we will say, 80 horses, and you put tickets on 80 horses, then you would give 80 duplicates to Keever or Mackay?—A. Yes.

Q. Now, suppose of the 80 horses which you ticketed that only 70 were purchased by Mackay, would they not still have the other 10 cheques in their possession?—A. Unless they were taken from them.

Mr. BOYS: They would not have the duplicates.

Mr. CARVELL: They would have the original in their possession.

By Mr. Carvell:

Q. They would have 10 cheques, duplicates and originals, containing the height, weight, color and condition of the horses, in their possession representing horses which they did not purchase?—A. Yes.

Q. If they were so minded, could they not have deceived you by including those 10 tickets, or a portion of them, with the tickets representing horses which they had purchased?—A. I suppose they could.

Q. All you know is that you counted the tickets produced to you?—A. Yes.

Q. But you cannot swear that every one of those tickets represented a horse purchased by Mackay or Keever?—A. I do not suppose I could.

Q. It is up to Mackay and Keever to produce the rest of the evidence.

By Mr. Bennett (Simcoe):

Q. Have you ever heard from any person a complaint that their horses were ticketed by you, but they never got their money?—A. No, sir.

By Mr. Carvell:

Q. Do you mean from that all horses ticketed by you were purchased?—A. No, sir, I do not.

Q. You do not?—A. No, sir.

Mr. BENNETT (Simcoe): My question is simply to show that there are no complaints. Some person had the duplicate. The man with the duplicate would be complaining to some person: A ticket was put on my horse; I went for the money, and they said, "Go away".

Mr. CARVELL: He says he gave the duplicate to Keever or Mackay. He did not give it to the owner of the horse.

Dr. CHIPMAN.

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Mr. BENNETT (*Simcoe*): Well there was a ticket on the horse. The man would go round to his neighbours and say: This is a funny business, my horse was accepted, and I got a ticket of it, but I did not get any money.

Mr. CARVELL: I have no objection to that question.

By Hon. Mr. Reid:

Q. I would like to get this understood, Dr. Chipman, about these cheques. Dr. Chipman, you state that you bought 8, or at least ticketed 8 or 10 horses at Kentville. You state that you ticketed 28 at Wolfville; 30 or 40 at Berwick, and 70 or 80 at Kingston. Taking the smaller numbers, that is 70, 30, 28 and 8, it makes 136 that you ticketed altogether in the four places?—A. As far as I remember.

Q. It is the evidence I think you gave. Now, the cheques that Mr. Carvell states that you have signed—(To Mr. Carvell, see if I have them right.)

Mr. CARVELL: I have not gone over them. If you go into that branch of it I would have to check them up. (Examines cheques).

Hon. Mr. REID: \$8,750.

Mr. CARVELL: That is Kentville.

Hon. Mr. REID:—representing 52 horses on the cheque; \$3,060 representing 18 horses, \$2,000 representing 11 horses; \$1,344 representing 7 horses; \$2,000 representing 12 horses; \$3,560 representing 20 horses. Is that all you have.

Mr. CARVELL: That is all I have here.

Hon. Mr. REID: That is all I can find in the cheques.

By Hon. Mr. Reid:

Q. That is 120 horses represented on your cheques would total \$20,714, for which you signed cheques. Now, am I to understand from the evidence you have given, in the four places mentioned you passed 136 horses at the least, or if you take the extra it would be 20 or 30 more, and that these cheques represent the cheques for 120 out of 136 that you passed?—A. As far as I know they do, yes.

Mr. CARVELL: That is exactly the point I was getting at in another way. It would be a very easy matter for Mr. Keever, if so minded,—according to the evidence he had 16 tickets in his possession that did not represent horses purchased.

Mr. BOYS: There is no suggestion that the number of horses purchased were not delivered, is there? I have not heard that before.

Mr. CARVELL: I have not suggested it. But most anything might be imagined.

Hon. Mr. REID: He had signed cheques for a lot of money, \$20,000, and the number of horses he had passed were fully the number of those, and more than the number, that he had signed cheques for.

By Mr. Carvell:

Q. You have described the manner of your engagement and the manner of handling the cheques and the record you kept. Now, tell us where these horses were examined at Kentville. —A. The Courtyard.

Q. How big a place is it?—A. I could not just say. There is a street runs down for, I should say, about five or six hundred feet.

Q. Where did you exercise the horses?—A. Up and down that yard.

Q. We have not been there, and therefore we are going to take your word about Kentville. What kind of a place did you have at Wolfville?—A. Examined them in the livery stable and up and down the street.

Q. Whose livery stable?—A. Tom Hutchison's.

Q. How big is that yard?—A. It would not be quite as big as the Courtyard at Kentville. Yes, where the street runs through it would be about the same.

Q. What would say would be the size of the yard at Wolfville?—A. About 150 feet one way and about 75 to 100 feet the other.

Q. Did you take any horses out of the yard in order to exercise them?—A. Yes, sir.

Q. How many?—A. Nearly all of them either went down back of the runway between the barn and the railroad track or out on the street.

Q. But now I come to Berwick. Where did you exercise them at Berwick?—A. Back of the freight shed and warehouse there.

Q. How large is the place?—A. It is larger than Kentville or Wolfville, either one.

Q. Tell us, in your judgment, the length and breadth in feet.—A. I should say it is 500 or 600 feet long and I don't know how wide—100 feet probably.

Q. And at that time you had probably 200 horses in there.—A. They were out on the street and around in various places.

Q. Were they inside?—A. Oh, yes, sir.

Q. Right up to the fence, were they?—A. No, I don't think there is a fence there at all. Some of them I think were tied to the warehouse, but most of them I think were held by the parties who brought them.

Q. Most of them came with wagons attached to them?—A. Yes, sir.

Hon. Mr. HEND: Buggies.

By Mr. Carvell:

Q. What opportunity would you have of exercising a horse in a place like that?—A. They could be sent from the street right down past this warehouse and barn and round on a grass place there. I just forgot how far that was away.

Q. But you sent them out and exercised them?—A. Yes, sir.

Q. Who did the exercising for you?—A. The people that brought them there, the owners.

Q. Did you make every man drive his own horse?—A. Yes.

Q. Did you get on the back of any saddle horse?—A. Once or twice I was on.

Q. Do you remember the names of the persons who owned the horses?—A. No, I do not know them.

Q. Did you buy any horse at Berwick from George Selfridge?—A. I would not know him if I saw him.

Q. You would not know Mr. Selfridge?—A. No, sir.

Q. Mr. Selfridge has been here, he sat here all the morning. Do you know Spurgeon Selfridge?—A. No, sir.

Q. Do you remember whether you purchased any horses from him or not?—A. I don't remember.

Q. Do you know the man?—A. No, sir.

Q. You bought one horse anyway, from Mr. Harvey at Berwick?—A. Yes, sir.

Q. I want you to describe that horse to me as intimately as you can. That was the horse that was sprung in the knees?—A. He was a saddle horse, a pacer.

Q. A pacer?—A. Yes, a bay, I think he had a very few gray hairs through him.

Q. A bay with a very few gray hairs.—A. I think so. His mane, if I remember right, is a kind of silver gray, not absolutely black. He has been tipped in the knees ever since I knew him, ever since he was foaled.

Q. What was his weight?—A. I should say he would weight ten hundred.

Q. Who did you say reared this horse?—A. Mr. Beattie.

Q. What is his christian name?—A. Fred.

Q. Where does he live?—A. Grand Pré.

Q. Has the horse any particular name?—A. The horse?

Q. Yes.—A. Lincoln.

Q. Is Lincoln a well known horse?—A. Yes.

Q. Who has owned him so far as you know?—A. Walter Moore owned him.

Q. Was he the man who reared him?—A. No, Beattie.

Q. He is no relation to the real Lincoln, I suppose?—A. None that I know of.

Dr. CHIPMAN.

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Q. He is a bay mare reared by Beattie, and owned by Walter Moore, do you know anything else about him?—A. A man at Port William owned him at one time. I forget his name now.

Q. Anybody else own him?—A. I think Mr. Harvey owned him at one time, either he or his brother, I forget which.

Q. Harvey owned him at one time, how long ago would that be?—A. I don't know how long ago it was. I know Mr. Beattie got him back. Mr. Harvey got him pulling, I believe, or something or other, could not handle him.

Q. Beattie got him back from Harvey. What next?—A. Well, that is all I know.

Q. You don't know how Harvey got him a second time?—A. No sir.

Q. Now we will go to Kingston. I want you to describe as nearly as you can the horse that Harvey brought you at Kingston.—A. He was either a dark bay or a brown, a small horse.

Q. A gelding or a mare?—A. I don't remember.

Q. Do you remember how old the horse was?—A. No, not exactly.

Q. Do you remember Harvey bringing you a horse with a lump on one of the fore knees?—A. No, sir.

Q. Do you know this gentleman over there, Mr. Selfridge (pointing to gentleman designated). The second man from the left?—A. No, sir. Oh, I do remember his face now, sir.

Q. You remember his face?—A. Yes sir.

Q. Do you remember buying horses from him?—A. No, I don't remember buying any.

Q. You don't remember that at all?—A. No sir.

Q. Mr. Selfridge says he sold to Mr. McKay, and they were passed by you, two horses that were good horses, and he got, I think, \$275 for the pair. Do you remember anything about a pair of horses of that kind being bought at Berwick?—A. No, I don't remember.

Q. You don't remember it at all?—A. I don't remember the horses, no.

Q. All right, then we will go back to Harvey. Do you remember Harvey bringing you a little bay horse with a large lump on the knee?—A. No, I don't remember the horse.

Q. You don't remember that at all?—A. No sir.

Q. Do you remember refusing to pass a horse of that description brought by Harvey?—A. No, I forget. I don't remember putting a ticket on it or anything.

Q. I am asking if you remember refusing?—A. No, sir, I do not.

Q. You do not remember at all?—A. No sir.

Q. Well, I want to treat you fairly. I have not got the evidence before me, but I think I can remember it pretty well. He says he tried to get you to pass a horse with a big lump on the knee—pretty nearly as large as a tumbler he said—and you refused to pass that horse.—A. I don't remember.

Q. Do you remember that Harvey tried to get you to pass, and you did pass, a black mare, a small black mare?—A. That may have been the brown one I am thinking of. I don't remember.

Q. Do you remember of Harvey coming to you on the same day and asking you to examine a sorrel horse?—A. I think he had a sorrel in there, I don't remember it.

Q. This is at Kingston. He says he had a sorrel in there. I just want to see how far you and Mr. Harvey are going to disagree?—A. I forget whether it was at Kingston or Berwick.

Q. I agree, Doctor, this was some time ago, and want to give you every opportunity to refresh your memory. Harvey says he brought a sorrel horse in at Kingston. Would you like to say he didn't?—A. No, I would not like to say he didn't.

Q. Harvey said you passed that horse. Would you like to say you didn't?—A. I don't remember.

Dr. CHIPMAN.

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The CHAIRMAN: If you want to ask the witness specific questions about this horse, the animal should be properly identified.

Mr. CARVELL: I am talking about a chestnut horse.

By Mr. Boys:

Q. Mr. Carvell has been asking you about a chestnut horse. If any such horse was presented to you by Harvey and passed by you, was he over 10 years of age?—A. No, sir.

By Mr. McKenzie:

Q. How long would it be between the ticketing of these horses and the signing of these cheques?—A. I could not say, sir. I don't remember. I think it was at night. I think it was after the work had been done, at night.

Q. My question was how long would it be between the ticketing of the horses and the signing of the cheques which appear to bear your signature?—A. Probably a day. I remember signing them at night after the day's work was done; that is all I can say.

Q. Did you sign the cheques at those four different places?—A. Yes, sir, I signed them at Kentville—

Q. Kentville, Wolfville, Berwick and Kingston?—A. As far as I remember, I signed them.

Q. Of course your memory is refreshed by seeing those cheques, with the aid of those cheques would you know how many you signed?—A. No, sir I don't.

Q. Were they all presented to you for signature by the same person?—A. Kever and Oakes were the two men.

Q. McKay and Oakes never presented cheques to you for signature?—A. Not that I remember.

Q. I think you have told us already that when the cheques were presented to you for signature you had nothing to check them by as to whether they represented the correct number of horses or not?—A. No, sir.

Q. Are you sure that while you were employed you never passed any horse without seeing and examining it?—A. Passed without seeing it?

Q. Without seeing it at all?—A. No, sir, so far as I know.

Q. Are you sure that you did not?—A. Yes, sir.

Q. Can you say positively that no horse was sold under your ticket that you did not see?—A. No, sir.

Q. Somebody asked me to put this question to you, if you did not pass 75 horses, or if 75 horses did not get through the test purporting to be under your signature, which you did not examine?—A. I don't understand what you mean, sir.

Q. Did anybody ever ask you for tickets to be put on horses that you did not see?—A. No, sir, nobody.

By Mr. Carvell:

Q. Did you give any tickets to anyone?—A. No, sir.

By Hon. Mr. Reid:

Q. How long were those horses in Kentville after they were finally paid for or passed by you; how long before they were shipped?—A. I think two or three days, some of them; some went right out.

Q. Who were they in charge of?—A. I think Mr. Chute was one man.

Q. Was there any possibility of changing them after you examined them?—A. Yes, sir.

Q. Were there any reports down there that it might have been done?—A. No, I don't think it.

By Mr. Carvell:

Q. We will proceed with this sorrel horse. Did you ever hear of a sorrel horse called the Jim Jacques horse?—A. No, sir.

Dr. CHIPMAN.

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Q. Do you know a man of the name of Jim Jacques?—A. No, sir.

Q. How far do you live from Kingston?—A. I think it is forty miles.

Q. You would not be acquainted with all the horses around that part of King's County?—A. No, sir.

Q. You did not know Jim Jacques' horse?—A. No, sir.

Q. Do you know whether a man named John Holton owned a horse?—A. No.

Q. Do you know whether that horse came from Halifax?—A. No.

Q. You know nothing about its history?—A. No, sir.

Q. Do you now swear that you did not pass a chestnut horse for Mr. Harvey at Kingston?—A. I don't remember of it.

Q. You won't swear at all?—A. No, sir.

Q. Then we will drop that one. Now we come to another one, a chestnut horse. I suppose you have heard that Mr. Harvey has sworn that you passed a horse that went through a number of hands. I think he was purchased in one case for \$15. In another case for \$10, and originally for a drake and two ducks.

Mr. RHODES: The word he used was "traded."

By Mr. Carvell:

Q. Have you taken any pains to investigate that matter yourself?—A. No, sir.

Q. Did you see this in the papers in Nova Scotia before you left?—A. I saw it the morning I came up.

Q. Have you taken any means to try to investigate this thing?—A. I had not time.

Q. You have not then?—A. No.

Q. Will you say that Mr. Harvey did not come back to you with two chestnut horses that day?—A. I don't know.

Q. You do not have any recollection of it?—A. No, sir.

Q. That is a fair way of putting it. When Mr. Harvey says that he did come to you with two chestnut horses, and that you passed them, would you say he was perjuring himself?

Mr. RHODES: At Kingston.

WITNESS: No, sir, I might have put a ticket on him, as I did in other cases; I don't know whether the horse was bought or not.

By Mr. Carvell:

Q. Mr. Harvey swears that you put tickets on four horses at Kingston that day; would you say he was perjuring himself when he says that?—A. No, I cannot, because I don't remember.

Q. And you have no record?—A. He might have had four horses there, or somebody else. That I do not know anything about at all; I do not remember seeing four.

Q. He says there was nobody with him; he says he came himself and presented the horses, tied them up to the fence, I think he said, and that you passed them, and he afterwards sold them. Do you say he is perjuring himself when he says that?—A. No, sir, I cannot.

Q. He says that he presented to you a chestnut horse with two spavins on him, what he calls the Jim Jacques horse, and that you passed him. Would that be one of the horses on the ticket of which you placed the word "spavins"?—A. It might have been; I don't remember.

Q. You don't remember?—A. No, sir.

Q. Do you remember him introducing to you at Kingston a large sorrel horse that was sprung in the knees, "tipped" I think they call it in Nova Scotia? Do you remember of any such horse as that being presented to you?—A. There were so many of them there; I do not recall any one single horse.

Dr. CHIPMAN.

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Q. I suppose the same answer would apply, that you really do not know whether it is true or not?—A. No, sir.

Q. Now, I want to know if you bought a horse at Berwick from a man named Reuben Moses?

Hon. Mr. REID: What age did Mr. Harvey swear that Jacques horse was?

Mr. CARVELL: I really do not remember.

Mr. W. H. BENNETT: At page 48 of the evidence he is asked:

“How old, in your judgment?—A. I would take him to be pretty handy thirty.”

By Hon. Mr. Reid:

Q. Mr. Harvey swears that that horse was thirty years old, that you ticketed him, and that he was purchased in this lot. Is he relating the truth when he states that you passed a horse thirty years of age?—A. No, sir, I passed no horse thirty years old.

Q. If he says this horse was thirty years old, and that you purchased him, he perjures himself?—A. I know I could not have passed a thirty year old horse.

Q. Then he is stating what is not the truth?—A. In the first place, I could not tell a thirty year old horse, and nobody could from his mouth.

Q. Would you know that the horse was so old that nobody could tell his age?—A. Unless his teeth had been fixed.

Q. Could you fix a thirty year old horse so that you could not tell whether he was more than ten years old or not?—A. You would have to cut off quite a lot.

By Mr. Carvell:

Q. It could be done?—A. Yes, sir.

By Hon. Mr. Reid:

Q. If a thirty year old horse had his teeth fixed, could you be deceived in that way?—A. Yes, sir.

Q. If Mr. Harvey came to you and told you that that horse was not ten years, he deceived you?—A. Yes, sir.

By Mr. Carvell:

Q. Did he come to you and tell you that the horse was not ten years of age?—A. No, sir.

Q. Then he did not deceive you. Did Harvey tell you the age of any horse he presented to you?—A. I don't remember that he did.

Q. Do you remember asking Harvey the age of any horse he presented to you?—A. I think I asked him in the case of Lincoln.

Q. Did you ask him the age of Lincoln?—A. I think I did.

Q. What did he tell you?—A. The way I put it, I think, was; I think I said: “How old is Lincoln now?” and he said, “Ten”.

Q. Did you ask him the age of any other horse excepting Lincoln?—A. Not that I remember.

Q. Did you ask him whether any other horse that he presented to you was sound or not?—A. Not that I remember of.

Q. Then you asked him no question whatever as to age or quality of any horse excepting Lincoln?—A. I don't remember, except the brown one.

By Honourable Mr. Reid:

Q. Is there a possibility that you might have asked him?—A. Yes sir.

Q. Was it your general rule to ask?

Mr. CARVELL: Now, I think that is hardly right.

The CHAIRMAN: I think that is all right.

Dr. CHIPMAN.

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By Mr. Boys:

Q. Mr. Carvell put this question to you: that Harvey had said on oath that he had sold you at Kingston four horses, and he asked you if you would contradict that, and you said you could not. If Mr. Carvell had put the question this way: that Harvey had sworn that he sold you four horses at Kingston, and that their ages were from eighteen to thirty years, and that their teeth had not been fixed, would his statement be true?

Mr. McKENZIE: That is not a fair question.

The CHAIRMAN: I think so.

Mr. CARVELL: Go on.

The WITNESS: I did not just catch the question.

Mr. CARVELL: I just wish to call your attention to the fact that Mr. Harvey never swore that he sold a horse thirty years of age; he said he sold a horse getting on for thirty; let us get it as it is.

Mr. RHODES: The first horse he sold himself, and he said it was 32 years of age.

Mr. McKENZIE: I think you should read the evidence, which is in writing, and not place your construction upon it in a question.

By Mr. Boys:

Q. Mr. Harvey stated that he was 32 years of age.

Mr. CARVELL: Read the evidence.

Mr. BOYS: I am going to read it. (Reads):

Q. "But was he crawling up?—A. I do not think I was alive when he was born."

Are we unfair in saying that he was over 30 years of age. Mr. Carvell got you to say that you could not say that Harvey did not sell you four horses in Kingston. Now I ask you if you had been told that the four horses in question were horses ranging from 18 to 30 years of age, or thereabouts, would you have any hesitation then in answering that question, and that the teeth had to be fixed. I must put that in.

Question objected to by Mr. McKenzie on the ground that it was not put in accordance with the evidence.

By Mr. Boys:

Q. I am asking this witness: If the question had been fairly put, "That the four horses in question that were sworn to by Harvey as being 18 to 30 years of age; did he sell any such horses to you?"—A. I do not remember any such horses.

Q. That is not what I am asking you. Did Harvey sell you one, to say nothing of four horses, that was over 10 years of age?—A. No sir.

Q. When he says he sold you four horses ranging from 18 to 30 years, he was not putting it right?—A. As I tell you, I never bought a horse.

Q. Will you answer my question?—A. No sir.

Q. Did he tell the truth when he swears that?—A. I do not know of any such horse.

Q. If Harvey swears that he sold you four horses at Kingston from 18 to 30 years of age, or thereabouts, did he tell the truth?—A. I do not know; I do not know whether McKay bought those horses or not.

Q. I am talking about that, did you pass them?—A. No sir, not that I know of.

Q. Is he telling the truth if he says you did?—A. Not that I know of.

Q. Is that true or is it not?—A. I do not know.

Q. He may have sold you a horse from 18 to 30 years of age?—A. He may have sold them to McKay.

By Mr. Hanna:

Q. Did you pass horses of that description?—A. No sir, I don't think I did.

Dr. CHIPMAN.

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By Mr. Boys:

Q. If Harvey says he did is he telling the truth?—A. If Harvey says?

Q. Is he or is he not? Yes, or no.—A. No.

By Mr. Carvell:

Q. Did you notice any horses whose teeth had been filed?—A. No.

Q. Did you examine all their mouths?—A. Yes, excepting in cases where I knew the age of the horses.

Q. Take now the case of Lincoln, you didn't examine his mouth?—A. No sir, I did not.

Q. Lincoln is, I understand, somewhat of a local celebrity down there?—A. I could not say as to that.

Q. He was some sort of a pacer, wasn't he?—A. Yes.

Q. A well known horse?—A. Yes.

Q. Did you examine the eyes in all cases?—A. I did not give them a thorough examination.

Q. Did you look at them?—A. Yes.

Q. Did you, in all cases, have the horse stepped around in order to see if he had any limps or did you buy him up as he was?—A. He moved around in every case.

Q. I would like you to be a little positive about that. Do you think in every case you moved the horse around before you passed him?—A. Yes, I did, I had him moved around.

Q. Did you pass any horses by simply moving them around on the halter in the yard?—A. Yes.

Q. Did you pass many of them that way?—A. No, but most of them were brought there in harness.

Q. Did you pass any horses that were brought there in harness without taking them out of the enclosure?—A. That were brought there in harness?

Q. Yes, you took them out of the enclosure, the place where they were buying them, you have told us they were in a place 500 or 600 feet long by 100 feet wide. Did you pass any horses without taking them out of that enclosure?—A. I think perhaps I did.

Q. Don't you think you bought a great many of them at Kingston that way?—A. No, because the yard was small and most of them were on the street.

Q. Do you remember where Harvey's horses were?—A. No, I do not remember the horse.

Q. You do not remember much about it at all?—A. No, sir.

Q. Well, Doctor, I do not want to pass judgment on your conduct or to ask any question leading to anything in that line, but looking at it now, from this standpoint, do you feel you might have given these horses a more rigid examination than you did?—A. Yes, I might.

Hon. Mr. REID: If you had the time, put that in the question.

Mr. CARVELL: I thought it would be obvious, if a man passes 80 horses in a day he wouldn't have much time.

By Mr. Carvell:

Q. Do you think if you were doing this over again you would take a little more time in order to examine these horses?—A. I admit that I should have, yes.

Q. You admit you should have taken more time?—A. Yes.

Q. In many cases is it not a fact that the examination was very, very hasty?—A. In cases where I took the word of the person that had the horse that it was sound I did not examine him the way I would otherwise have done.

Q. It may be fair to say that in many cases the examination was hasty?—A. Yes.

Dr. CHIPMAN.

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Q. In many cases I think you practically took the man's word for the condition of the horse?—A. In some cases, yes.

By Mr. Rhodes:

Q. But in those cases would you have previous knowledge of the horse?—A. Generally, sir.

By the Chairman:

Q. Or the man?—A. Yes.

By Mr. Carvell:

Q. But this was forty miles from your home?—A. I was taking chances really on the horses right through.

Q. Now I want to go back again. Did you have any talk whatever with Mr. Foster about the purchase of these horses, from the day you started in until the finish?—A. No, sir.

Q. Did you even see Mr. Foster?—A. No, sir, I never saw him.

Q. Did you see a man named Woodworth?—A. No, sir.

Q. Do you know anything about a horse called the Howard Spur mare?—A. No, sir, I do not.

Q. You do not recognize that horse?—A. No.

By Mr. McKenzie:

Q. Who had the final say about accepting these horses on behalf of the Government in King's County?—A. The final say?

Q. For accepting them?—A. Mr. McKay, when he was with me, I do not know about the rest of them.

Q. He was buying up these horses and transferring them to somebody else?

The CHAIRMAN: There is no evidence to that effect, Mr. McKay was not buying for himself, that has not been suggested at all.

By Mr. McKenzie:

Q. Mr. McKay then, was the representative of the Government down there and the horses that were passed by Mr. McKay were finally accepted?—A. Yes.

By Mr. Sharpe (Ont.):

Q. They were all the horses passed by you that were accepted by Mr. McKay?—A. Yes.

Q. And if they were rejected by you they would not be accepted by Mr. McKay?—A. Not that I know of.

By Mr. McKenzie:

Q. You put tickets on several horses that were not accepted?—A. Yes.

Q. Then Mr. McKay was the final judge?

The CHAIRMAN: It works both ways, I suppose.

By Mr. McKenzie:

Q. McKay could have bought horses without your ticket at all?—A. He could have, I suppose.

Q. Because he was there, and you were not, representing the Government?—A. Yes.

Q. But he did reject some horses that you passed?—A. Quite a number of them.

Q. But once the horse was accepted by Mr. McKay that settled it?—A. They were accepted, there and then.

Q. And paid for?—A. Yes.

Dr. CHIPMAN.

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By Hon. Mr. Reid:

Q. Have you any idea as to what was the highest price paid there either by Mr. Keever or Mr. McKay in your presence?—A. No, I do not know.

Q. You do not know what the highest price would be?—A. No, sir.

Q. Do you know if they paid over \$200?—A. No, sir, not that I know of.

Q. Did they pay less?—A. I do not know the price of the horses at all.

Q. You do not know the price of the horses at all?—A. No.

Q. All your duty was to pass the horses as a veterinary surgeon and as suitable for either of the uses mentioned on the poster?—A. Yes.

Q. And you never passed a horse unless you thought he would fill either one of the three different descriptions given on that poster?—A. No, sir.

Q. Did Mr. McKay tell you that he wasn't a horse judge, and was depending on you?—A. No, sir, I do not think so.

Q. He knew that you were a veterinary surgeon there for that purpose?—A. From the way he walked around the horses I think he should know a horse pretty well himself.

By Mr. Carvell:

Q. Did Mr. McKay question, at any time, your judgment in passing the horses?—A. No.

Q. Do you know anything about a horse known as the Doctor Bell horse at Kingston?—A. No, sir.

By Mr. Hanna:

Q. I do not think you did yourself justice in reference to the age of these horses, in stating that a horse 30 years old, or 18 or 20 years old, might pass your inspection. I don't think you did yourself justice in that respect. A horse's teeth may be fixed in such a manner as to deceive you?—A. Yes, sir.

Q. Is there any other way of ascertaining the age of a horse? by looking at the head or the hollow back of a horse 30 years of age, you could not possibly be deceived?—A. Yes, sir.

Q. You could not be deceived in a horse 30 years old, and think it was only 10 or 12 years of age?—A. No, sir.

Q. The horse would show it in the head, the backbone would go down?—A. In every case.

Q. When a witness comes here and says that he passed a horse 30 years of age over on you for a horse that was 10, what do you think in reference to his evidence on that point, do you think he has told a falsehood?

Mr. CARVELL: I protest. This witness has not sworn he passed a horse over 10 years. He passed a horse 30 years.

By Mr. Hanna:

Q. These horses were to be 10 years of age. Would it be possible for that witness to have sworn?—A. No, sir, I did not.

Q. That a horse 30 years of age was passed?—A. I am positive I did not pass.

Q. You are perfectly positive that you would not have passed a horse 30 years of age under any circumstances?—A. Yes, sir.

By Mr. Carvell:

Q. Are you equally positive you did not pass a horse 20 years of age?—Yes, sir.

Q. Equally positive, all right.

Dr. CHIPMAN.

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By Mr. McKenzie:

Q. Did you ever give evidence in court where a question was at issue on the age of a horse?—A. Did I?

Q. Yes. A. No, sir.

Q. You never gave expert evidence in any of the courts of Nova Scotia?—A. No, sir.

Q. Did you ever have experience of this kind before of buying horses for the Government?—A. Never.

Q. This was your first venture in this sort of thing?—A. Yes, sir.

By Hon. Mr. Reid:

Q. These horses you bought average \$172.53. Do you think that was a fair average price?—A. Yes, sir.

Q. You consider they were worth that?—A. I do, sir.

Q. Fair and reasonable prices, in your opinion, as a veterinary surgeon?—A. I do. There were some very fine horses bought.

Witness retired.

Committee adjourned.

AFTERNOON SITTING.

House of Commons,

Room 211,

Monday, April 12, 1915.

The Committee met at 2.45 p.m., Mr. Morphy presiding in the absence of Mr. Middlebro'.

Mr. ARTHUR DEWITT FOSTER, Kings, N.S., presented himself and asked permission to make a statement.

Mr. CARVELL: I object to any statement being made unless Mr. Foster is sworn.

The CHAIRMAN: We have allowed other gentlemen to come here and reply to insinuations which have been levelled against them, and I do not see now why there should be any discrimination.

Mr. CARVELL: I object to a witness making a statement and getting it on record until he has been sworn.

Hon. Mr. REID: I suppose that as a member of the committee he is entitled to make a statement.

Mr. CARVELL: Yes, but not to go on the record. I am going to ask that the honourable gentleman be sworn.

The CHAIRMAN: We will come to that later.

Mr. CARVELL: If the statement of the honourable gentleman is going on record I shall ask that he be put under oath.

The CHAIRMAN: Let him read his statement with the understanding that in the meantime it does not go on record.

Statement read by Mr. Foster.

The Oath administered to Mr. Foster.

Mr. A. D. FOSTER.

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Mr. FOSTER: Now you can ask me any questions you like.

Mr. CARVELL: Now you can read your statement if you wish and place it on the record.

By the Chairman:

Q. You have just read a statement without being on oath.—A. Yes.

Q. You are now on oath.—A. Yes.

Q. Do you desire to affirm that the contents of that statement are true?—A. I desire to affirm it exactly as it is. (Reads)

"April 9, 1915.

Mr. Chairman:

As a member of this committee I desire to make a statement touching the matters under investigation with which my name is being associated. So far no charge of any kind has been levelled against me. Therefore I have nothing to defend other than some insinuations in the press.

I wish to say that I was requested by the principal veterinary officer, Col. Neill, to assist the veterinaries and other persons in procuring for the Government as many horses as we could in the very short time at our disposal, viz., a week to ten days, to finish the complement required at Valcartier for the First Contingent.

That I signed cheques exhibited before the Committee which were, for the payment of horses only; that no cheques were issued for my personal expenses, nor the expenses of any one else; nor for commissions to any party or parties, and that so far as I am aware, every dollar went for the payment of horses; that I did not receive anything of any kind or nature whatsoever for my services, either by way of commissions, expenses or otherwise; and that I have no arrangement whereby I am in the future to receive, directly or indirectly, anything from anybody in connection therewith.

Notwithstanding the absence of charges of any kind against me, I now offer myself as a witness, ready to be cross-examined by any member of this committee touching my relations to this matter.

By Mr. Carvell:

Q. You are a Member of Parliament, are you?—A. I am.

Q. From the county of King's, N.S.—A. Yes.

Q. How many horses did you assist in buying?—A. I think the records show 428 shipped to Valcartier.

Q. Have you a private record?—A. I have a copy of my statement to Col. Neill, in which the number of horses is shown.

Q. Is there a description of each horse in that?—A. No.

Q. Does it contain the name of the man from whom it was purchased?—A. No.

Q. Does it contain the price for each horse?—A. No.

Q. I think we had better have that report.—A. I think I have it here.

By the Chairman:

Q. Who is Colonel Neill?—A. Principal Veterinary Officer for the Government.

Q. Where?—A. Ottawa. He is at the front now.

Q. You have produced a copy of the report?—A. This is a copy of my report to Colonel Neill (Handing in report).

By Mr. Carvell:

Q. When was the report made?—A. September 5, 1914.

Mr. A. D. FOSTER.

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Q. This would be in the Department, I presume?—A. I don't know where the other copies are. (Reads)

"KENTVILLE, N.S., September 5, 1914.

Lt.-Colonel W. J. NEILL,
Remount Department,
Ottawa, Ont.

SIR,—I have the honour to submit my report on the purchase of remounts for your department as requested in your favour of the 24th of August, 1914.

(A) Total number of remounts purchased, 428. Classified as follows:—

Riding.. . . .	218
Artillery.. . . .	120
Draught.. . . .	90
	<hr/>
	428

(B) Total purchased at general average of \$170, 313, as per cheque books with records of lots and individual remounts.

(C) I enclose accounts for care and maintenance of horses, but at this date some are not at hand.

(D) The places horses were purchased were as follows: Halifax, Truro, New Glasgow, Windsor, Wolfville, Kentville, Canning, Kingston, Berwick, and Middleton, between August 31 and September 4, inclusive.

Respectfully submitted.

This is signed by yourself.

Q. Will you tell us when, and under what circumstances, Colonel Neill first spoke to you about assisting him?—A. I went to Colonel Neill—I forget the exact date, but I think it was on Monday morning, and asked him if he would appoint an agent in my constituency.

By the Chairman:

Q. To what Monday morning do you refer?—A. About August 24, I should think, Mr. Chairman.

By Hon. Mr. Reid:

Q. The Monday around that date?—A. The Monday around that date, I think Monday, 24th August, would be about the time. I asked if he would appoint Mr. F. A. Parker to purchase horses for Nova Scotia. He told me that the remounts had all been allotted to the various places for the First Contingent, and for that reason, and for the fact that he had had charge of or assisted in the purchase of horses in the South African campaign, they had decided to buy none from Nova Scotia. I left his office then. I may tell the committee frankly that I was in company with Mr. Woodworth, who heard Colonel Neill make that statement. I left his office and did not see him again until Wednesday morning, I think the 26th August, when he called me up at my office on the telephone, told me that he was in need of 800 more remounts, which he had to have at Valcartier within a week and asked me if I would personally go to Nova Scotia and assist the veterinaries in the procuring of those horses.

Q. And you kindly consented to go?—A. I thought the matter over very carefully, and sat down and wrote him a letter confirming the conversation we had over the telephone, and telling him that I thought the time at our disposal was very limited; that I did not think we could succeed in getting that number of horses, four hundred or five hundred he suggested, in that length of time, and I wished to know if he could see his way—I put this in the letter—to appoint Mr. Parker to look after the matter;

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and on further consideration, if he would make all the arrangements with the veterinaries and with the banks, make such arrangements as would in no wise affect me as a member of Parliament, I would be very glad to offer my services which subsequently I did.

By Hon. Mr. Reid:

Q. Have you that letter?—A. I will have it in a minute.

By Mr. Carvell:

Q. And you went to Nova Scotia?—A. I went to Nova Scotia; I think that was on the Wednesday morning. I thought the matter over for a little while, and I said to myself, now I can go.

Q. You cannot tell us what you thought; tell us what you did.—A. I am coming to that; not being an expert in giving evidence perhaps I am not doing it in the right way.

Q. What did you do?—A. I went to St. John or rather to Digby, and on the way down I telephoned to Mr. G. H. Oakes, a man of excellent reputation and character, to meet me at St. John, which he did. He met me at St. John; I explained the facts to him, and asked him to work as my representative in that part of Nova Scotia, Kings, Annapolis and Hants counties. I then turned around and came back to Ottawa to look after some private business of my own, and to get ready to go down the following week. That is exactly the situation as it happened.

Q. Did you have an interview with a man of the name of Keever before you went down?—A. Oh, yes.

Q. Tell us who is this man Keever.—A. Mr. Keever is a very responsible gentleman, a Canadian whose home is in Albert county, New Brunswick. He is general manager of the Fortuna mine in Arizona from which the Government records show \$3,000,000 of gold have been taken. He is a partner and director with ex-Senator Eugene Foss, of Massachusetts.

Q. A big man?—A. I should think so.

Q. How long was he in Ottawa?—A. I do not exactly know; he came here on business with Mr. Woodworth.

Q. He and Woodworth were partners?—A. He and Woodworth were partners.

Q. How long before the trip to Nova Scotia did you first meet Mr. Keever?—A. I cannot remember exactly when I just met him; I do not know him very well; he was merely an acquaintance of mine.

Q. Had you been doing business with him prior to that?—A. No.

Q. Did you have an office in Ottawa prior to that?—A. Yes.

Q. Who was associated with you in that office?—A. No one.

Q. Did anybody have a desk in that office?—A. Yes, W. P. McKay.

Q. What was Mr. McKay doing?—A. I never inquired about his business, but I think he was handling some fox stock and commission business as well.

Q. What were you doing?—A. I had my private business.

Q. Handling fox stock?—A. I think I called upon one gentleman with regard to a ten thousand dollar order for fox stock, and nearly got it, but the war came and it slipped through.

Q. That is all?—A. As far as I remember.

Q. You did not send out any circulars?—A. I did not myself, but some may have been sent out of my office during my absence from my secretary.

Q. After being signed by you?—A. I am not clear about that.

Q. I will show you one.

The CHAIRMAN: Is this a test of credibility; if not it is entirely irrelevant.

By Mr. Carvell:

Q. Is that your signature?

Hon. Mr. REID: Why is that done?

Mr. A. D. FOSTER...

APPENDIX No. 3

By Mr. Carvell:

Q. Hush, just a moment. Is that your signature (handing witness document)?
—A. Yes, that is my signature.

Q. That is all I want to know.—A. Perfectly all right.

Q. You were doing some private canvassing, selling fox stock?—A. I have just told you about one order, that \$10,000 order. I was not in the same company with Mr. McKay.

Q. You were rivals then, according to that?—A. You can call it that if you like.

Q. Was Mr. Keever interested in the fox business?—A. Not at all.

Q. Was Mr. Woodworth interested in it?—A. Not at all.

Q. How long had Mr. Keever and Mr. Woodworth been in Ottawa before you took the trip to Nova Scotia?—A. Mr. Woodworth came here I think during the short session of Parliament.

Q. That would be around the 14th or 15th August?—A. Somewhere around there, I think.

Q. Did Mr. Woodworth formerly live in Nova Scotia?—A. Yes.

Q. Have you known him for some years?—A. Quite for some years.

Q. When was he in Nova Scotia before last August?—A. He came from Kentville to here during the short session.

Q. And remained here during that time?—A. Yes.

Q. When did you see him in Nova Scotia prior to meeting him in Ottawa?—A. I cannot say, Mr. Carvell; probably I say him a year before; he was down there on vacation.

Q. Where is his home?—A. He has two homes. He has a very fine home in San Francisco, I understand from those who have been there; he has another home in Cambridge, Mass., and up to a short time ago he had a suite of rooms in the Imperial Hotel, New York, for which he paid \$2,500 a year.

Q. A big man?—A. I should think so.

Q. When was the date of your first acquaintance with Mr. Keever?—A. I cannot tell you that really; I do not know him very well; he was merely an acquaintance up to the time I met him here, somewhere around the 25th or 26th August probably.

Q. The facts are then, that you had never seen Mr. Keever until the 25th or 26th August?—A. I would not say that.

Q. To your knowledge?—A. Yes, I say I met him before.

Q. Where did you meet him before?—A. I cannot remember exactly.

Q. I would like your best recollection?—A. I cannot give it you.

Q. Was it in Ottawa or in the United States?—A. It might have been in the United States; it might have been in Ottawa.

Q. You are a very intelligent man, Mr. Foster, and your recollection should be better than that?—A. That is the best I can do.

Q. I want to give you every opportunity; you must remember that Keever played an important part in purchasing horses for you?—A. Yes.

Q. And I think it only fair that you should be given every opportunity of saying what you know of this Mr. Keever.—A. I have told you as nearly as I can.

Q. You have told us that he was a partner of Woodworth, and that you met him on the 25th or 26th of August. I want to know if you met him before that?—A. I think I did.

Q. I want to know where and when?—A. I cannot remember.

Q. Would it be a week before that?—A. It might have been; it might have been a year before that. I think it was sometime before that.

Q. And your best recollection is that you might have met him a year before that, but you do not know where?—A. I do not know.

Q. You must have been introduced to him by somebody?—A. Mr. Woodworth.

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Q. Do you happen to know how it happened that Mr. Keever landed in Ottawa about the 25th of August?—A. He came over to consult, I am told, Mr. Woodworth, his partner, on private business.

Q. And after he came here you thought he would be a good man to take to Nova Scotia?—A. I really think—well, yes, answering your question.

Q. And you thought that Mr. Woodworth would be another good man to have down there?—A. Yes; Colonel Neill asked me to go with him.

Q. What about Mr. McKay?—A. Mr. McKay's arrangements were made entirely with Mr. Keever.

Q. And of course you do not know anything about that?—A. I really do not. When the arrangements were made, I was not here; that is my recollection.

Q. Did you meet Mr. McKay at all in Nova Scotia?—A. Yes.

Q. You knew he was purchasing?—A. No, I knew he was assisting Mr. Keever, but I did not know he was purchasing until some time—

Q. Until it was all over?—A. I would not say that; perhaps he had been purchasing a day.

Q. Before you knew anything about it?—A. Yes.

Q. But you signed the largest cheque to Woodworth; did you know he was purchasing?—A. Well, we might as well be frank about that; those cheques, I am not sure about all of them, but I think all of them were signed by me and handed to Mr. Oakes, my representative, with instructions that when the horses were passed by the veterinary, the veterinary was to sign the cheque, and he was to fill in the number of horses; having the receipts from the farmers in his hands, he was to fill in the number of horses.

Q. Having what in his hands?—A. Having the receipts.

Q. Where are they?—A. From the farmers? In the hands of Mr. Keever and Mr. Woodworth. If this investigation had come on at the regular time both Mr. Keever and Mr. Woodworth would have been here to testify.

Q. Where are those receipts?—A. They are in the hands of those to whom they belong, Mr. Keever and Mr. Woodworth.

By Mr. McKenzie:

Q. They belong to you?—A. They do not belong to me.

By Mr. Carvell:

Q. Do you mean to tell me that Keever and Woodworth have those receipts?—A. I do not mean to tell you they have: I say they had them.

Q. You believe they have them?—A. I do.

Q. Has this matter not been discussed in the Parliament for the last six weeks?—A. I did not say that.

Q. You have a pretty good recollection. It was brought up in the House?—A. It was mentioned I think on two occasions.

Q. And you spoke on it?—A. Yes.

Q. That was about six weeks ago?—A. I spoke as a member of Parliament.

Q. Have you, at any time since the matter was brought up in Parliament, made any attempt to get those receipts from Woodworth and Keever?—A. When I last saw Mr. Keever he was going to Arizona to look after his business.

Q. Will you please answer my question; have you at any time since the matter was mentioned in Parliament attempted to get those receipts from Keever or Woodworth?—A. Yes.

Q. What have you done?—A. In the first place, as I told you, I had not Mr. Keever's address, and I could not—

Q. You had Woodworth's address?—A. I had one of his addresses, yes.

Q. Go on; what have you done?—A. I endeavoured to locate Mr. Woodworth.

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Q. Yes, what did you do to find out?—A. He has a brother at home at Kentville, and I wrote to my wife and asked her if Dr. Woodworth was in town, and she informed me that Dr. Woodworth was away at the time.

Q. What else did you do?—A. I am not clear, but I think I wrote a letter to Mr. Woodworth.

By Mr. McKenzie:

Q. Did you say that Woodworth is a doctor?—A. He has a brother a doctor.

Q. Is the Woodworth you mean a mining engineer?—A. He is a mining engineer and metallurgist I think, and at one time I think he had a ranch in the West. I think I wrote to the address I had, 521 Washington street, Boston, to inquire if Mr. Woodworth or Mr. Keever had left their addresses there. I think a brother of Mr. Keever's is there; I am not clear about that, but I did that.

Q. Let us hear the rest of it.—A. Up to the present time I have had no reply to that letter, but I had a note from Mr. Woodworth saying that he would be glad to give evidence before this committee as soon as he could arrange his private business to do so and to get his hands upon the cheques.

Q. When did you have the note?—A. I do not know how many days ago; a week ago perhaps; maybe ten days ago.

Q. Where was it dated?—A. Thirty-one State st., Boston.

Q. You were in Boston ten days ago?—A. Yes.

Q. Now, Mr. Foster, didn't you see Mr. Woodworth when you were down there a week ago?—A. I did.

Q. And you saw Mr. Keever, too?—A. Yes, sir.

Q. Were you not at Willard's hotel in Washington together?—A. Neither of these gentlemen were there with me.

Q. And you saw Mr. Keever?—A. I did not see Mr. Keever except at a distance.

Q. Now did you try from either one of these men to get those receipts?—A. Yes.

Q. What excuse do you have for not getting them?—A. Mr. Woodworth said he would come before this committee as soon as he could. I was in company with Dr. Harris, a very responsible man of Nova Scotia. It was in a room in Young's hotel. He will come here and give evidence if you want him.

Q. We would rather have Mr. Woodworth.—A. You can get him.

Q. When, next year?—A. If this investigation had come up in the regular way both of these gentlemen would be here.

Q. You saw both of these gentlemen ten days ago and you haven't those receipts here?—A. I said they will both come here.

Q. Have you a statement from these men of what they paid for the horses?—A. Have I a statement?

Q. Yes, a statement?—A. No.

Q. Did you ever ask them for it?—A. No.

Q. Now you say that you have not a statement of the purchase price of those horses, nor of the persons from whom they were purchased?—A. No.

Q. And you never asked for it?—A. No.

Q. And you saw both of these men within the last ten days and did not ask them for it?—A. They could not give it anyway.

Q. You did not ask them for it?—A. I did not ask them for it, I asked them to come here and give evidence.

Q. And you saw these men ten days ago and did not even ask them how much they paid for the horses?—A. I have just told you I saw Mr. Keever at a distance and Mr. Woodworth told me he was leaving town.

Q. And how far off did you see Mr. Keever? At what distance?—A. At the distance of three rooms away; he was engaged with clients of his in one end of the building and I was in the other.

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Q. And you made no other effort to see Mr. Keever?—A. I called up on the phone afterwards to see if Mr. Keever could not make an appointment with me, but he was too busy, he is a busy man.

Q. Was he there?—A. I do not know.

Q. Anyway you did not succeed in making an appointment?—A. No.

Q. And you haven't tried to get a statement from these men showing how much they paid for these horses?—A. They have no statement to give me unless it is the receipts.

Q. If they had the receipts for the amount which they paid to each farmer could not they make out from that a statement of the number of horses, the amount paid and the persons from whom they were purchased?—A. Certainly.

Q. And knowing they had these documents you never asked them for that statement. Is that right or wrong?—A. I have just told you I did not discuss the case with either of these men.

Q. And you never asked them for a statement of that account? Did you ever ask them for those receipts? No answer.

Q. Come, Mr. Foster, we want an answer to that question?—A. I think I have answered it.

Q. Have you asked them for those receipts?—A. I asked Mr. Woodworth if he and Mr. Keever would come and give evidence here.

Q. What did you ask them?—A. I asked them if they would appear before this committee with the receipts and give evidence.

Q. And what did they say?—A. They said they would—Mr. Woodworth said he would come and that Mr. Keever would come.

Q. Did you tell them how long this Parliament was liable to sit?—A. I do not know whether I did or not.

Q. You were there just before Easter?—A. Just before Easter?

Q. Yes, we know you were and all about it?—A. Oh, yes, I know you have had detectives on me for three years.

Q. You were in Boston just before Easter?—A. I was not.

Q. It was just after that?—A. You do not know anything about it.

Q. You were in Washington at Easter?—A. I wasn't in Washington at Easter.

Q. Was it the Sunday before Easter?—A. No, nor the Sunday after.

Q. You have been in Washington in the last few weeks at the Willard hotel?—A. Yes.

Q. And were you in Boston?—A. I left Boston last Wednesday evening and arrived here Thursday morning at 12.30.

Q. Was it on the evening of Wednesday or Tuesday you saw Mr. Woodworth and Mr. Keever?—A. I saw Mr. Woodworth on Wednesday afternoon, on the Wednesday before leaving Boston.

Q. And did you tell him Parliament was liable to prorogue?—A. I do not remember.

Q. It was less than a week ago, but you do not remember?—A. I do not remember whether I mentioned that fact or not, but Dr. Harris was in the room.

Q. Did you tell him that Parliament was liable to prorogue?—A. I do not know.

Q. You knew that there was an effort to prorogue Parliament this week?—A. I know you have been at it for a fortnight.

Q. And haven't succeeded yet. You knew that Parliament would prorogue this week.

Questions objected to by Mr. Rhodes on the ground that witness could not be asked to express his belief.

By Mr. Carvell:

Q. Didn't you believe that Parliament would prorogue this week?—A. I do not know whether I believed that or not, Parliament might prorogue any day.

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Q. With that knowledge you did not ask these men to come here last week. Did you ask Mr. Woodworth and Mr. Keever to come here last week?—A. Yes, I asked Mr. Woodworth to come here Wednesday night.

Q. To be here in Ottawa last week?—A. I did.

Q. Did you ask him to be here in Ottawa Thursday?—A. Yes, sir.

Q. What did he say?—A. That he was not able to be here on account of business.

Q. Did you ask him to be here this week?—A. No.

Q. You did nothing more than to ask him to be here last week?—A. I remember that I asked him to come over with me on Wednesday night and to be here on Thursday.

Q. I am right in assuming that you did not personally ask Mr. Keever to come here at all?—A. No.

Q. Now go back a while and tell us why did you choose Mr. Keever and Mr. Woodworth to buy \$70,000 worth of horses?—A. Because they were able to pay their own expenses.

Q. Some patriots?—A. If you like to put it that way.

Q. Patriots from the United States to buy horses for your Government?—A. They were Canadians and they are Canadians, and just as much patriots as you.

Q. I do not claim to be a patriot?—A. Let me tell you, Mr. Carvell, that for your insinuations you have to meet them outside this Committee I want to warn you in that matter.

Q. Forewarned is forearmed! I am very much obliged to you for your kindness.—A. I wanted to warn you on that point.

Q. Have you any other reason for inviting these two men to come in and buy horses for the Dominion Government?—A. None.

Q. Other than that they were financially able to pay their own expenses?—A. None whatever.

Q. Then you were the man who did invite them to go down there?—A. Col. Neill asked Mr. Woodworth to go with me, and I asked him too. I presume Mr. Woodworth asked Mr. Keever and I presume I asked him also.

Q. Anyway you take the responsibility?—A. Certainly I do.

Q. And the only reason you choose these men from all the millions of men in Canada when the Government was buying horses is that they were able to pay their own expenses?—A. Certainly I would just as soon have had a man in my own constituency if there had been one available.

Q. There was no one in your constituency who could buy horses for the Government and you got two re-patriated Canadians?

Question objected to.

Q. Now what was wrong with Mr. Oakes, isn't he a gentleman of a good deal of ability.—A. Yes.

Q. I have always heard him well spoken of?—A. He is a splendid fellow.

Q. And couldn't Mr. Oakes have bought some horses?—A. He was assisting.

Q. Wouldn't he have been willing to donate his services?—A. He was too busy.

Q. Looking after your interest in the county?—A. He has been doing that.

Q. You say you do not think he would be willing to do that?—A. Who?

Q. Mr. Oakes.—A. I did not say anything of the kind.

Q. I want you to say—you say you chose these two gentlemen because they would do it gratuitously, what do you say about Mr. Oakes?—A. As I said, a few moments ago, I had Mr. Oakes as my representative, he had all he could do.

Q. Did he get any pay for being your representative?—A. Not from me.

Q. Nor from anyone else?—A. Nor from anyone else, as far as I know.

Q. Then he did donate his services?—A. Sure.

Q. Would he have been willing to have donated his services a little further and have bought the horses?—A. I do not know.

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Q. I think there was another gentleman you say you were anxious to have buy horses, where does he live?—A. At Berwick.

Q. Did you ask him if he would donate his services towards purchasing horses?—A. I did not see him.

Q. You did not ask him?—A. No.

Q. Now, Mr. Foster, did you ask a solitary man in your constituency?—A. No, Mr. Carvell, I do not say that; you can understand—

Q. I am asking you did you ask a solitary man to buy one horse?—A. I say no.

Q. And you took two Yankees down there because they would work there for nothing?—A. I say Canadians, not Yankees, and I want that put in the record.

Q. Now from the evidence given here do you believe they worked for nothing?—A. I do.

Q. Do you believe that these horses cost \$170 on the average?—A. I do so, and so do you.

Q. I do not.—A. Yes you do and so do I.

Q. I tell you, I believe it was the most contemptible steal ever put on in Canada, and I believe you know it to be so.—A. Come over to my constituency and say so.

Q. I have been there before and I will be there again, and I tell you more, Mr. Foster, I say that you are an idiot if you do not know all about it.—A. Don't call me an idiot because if you do I will have to appeal to the Committee. Do you call me an idiot.

Q. I say that if you do not know all about these things you are an idiot. There is no question about what I say, and I stand by what I say.—A. All right.

Q. Now then, come back to the point?—A. All right you are cooled off.

Q. Why did you employ Mr. Mackay to go down there?—A. I have already told you I did not employ Mr. Mackay.

Q. You knew he was being employed?—A. Yes.

Q. Mr. Mackay has told us that he received about \$150 for his services.

Hon. Mr. REID: For his expenses.

Mr. CARVELL: Yes.

By Mr. Carvell:

Q. Did you pay Mr. Mackay anything?—A. Not a cent.

Q. Did you give Mr. Keever any money to pay him for his expenses?—A. Not a cent.

Q. Then is it your belief that if Mr. Mackay received money from Mr. Keever that Mr. Keever donated it out of his own pocket?—A. I believe he did.

Q. You believe Mr. Keever advanced his own funds, donated to the Government of Canada \$150 to enable Mr. Mackay to help purchase horses?—A. To Mr. Mackay. If Mr. McKay swears he got \$150, he got it. I believe what Mr. McKay swore to.

Q. He says he got it from Mr. Keever. Do you believe that Mr. Keever donated that out of his own pocket?—A. I have already said that I believed he did.

Q. This man is getting more patriotic every minute. When did you see Mr. Keever last after he got through purchasing horses?—A. Well, Monday or Tuesday, somewhere around the 4th, and the 6th or 7th of August—I cannot remember exactly.

Hon. Mr. REID: September.

The WITNESS: September, I meant to say.

By Mr. Carvell:

Q. Where did you see him?—A. I imagine likely I saw him at the station at Kentville when he was leaving.

Q. Leaving for where?—A. I do not know exactly; I think he was going to Montreal, I am not sure.

Q. Did you see him after he left Nova Scotia?—A. No.

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Q. Before he left, did you ask him to give you a statement of the number of horses he had purchased?—A. I made up a statement for Colonel Neil which I have just read. From the receipts which Mr. Mackay turned over to Mr. Keever, and Mr. Keever had in his own possession, and the receipts also that Mr. Woodworth had, from these receipts I made the statement.

Q. At that time, did you ask Mr. Keever or Mr. Woodworth, or both, to give you a statement from these receipts other than the number of horses purchased?—A. What do you mean by statement?

Q. A statement of the persons from whom they purchased the horses and the amounts paid?—A. I did not ask for that at all.

Q. Did not consider that of any importance?—A. I was not asked to deal with that at all. These receipts had been for the express purposes of Mr. Keever and Mr. Woodworth.

Q. I say did you attempt or ask them to make up a statement from these receipts as to the persons from whom they were purchased and the amounts paid?—A. I do not think I did.

Q. And you never have seen such a statement made up?—A. Never have.

Q. And you do not know whether those receipts are for \$72,000 or not?—A. Yes, I checked them myself.

Q. And you swear to this Committee you checked them over and did not keep a record of them, do you or do you not....No grinning or laughing will do. Did you or did you not make up a statement?—A. I said I made up a statement for Colonel Neil.

Q. Of the numbers, but not the price. Did you swear to the Committee that you went over them, and they checked up the total amount of \$72,000?—A. I say that Mr. Oakes sat down at one end of the table, and I sat on the side with my sheet of paper, and I took down the horses, artillery, riding and draught, as he read off the particulars to me. Mr. Oakes, I think, checked up the prices for the Kings, Annapolis and Hants horses that were purchased there. With regard to the prices I would not like to swear before the committee that I personally checked over every one of these, because I felt I was dealing with honest men, in so far as the other purchases are concerned, Halifax, Truro, and New Glasgow—

Q. Let us keep out of Halifax.

Hon. Mr. REID: That is part of this purchase.

By Mr. Carvell:

Q. Now, Mr. Foster, where is the list that you checked off?—A. What list do you mean?

Q. You say you checked up something, where is it?—A. I probably put it in the waste-basket. It was merely this, Mr. Carvell, artillery, riding and draught: I was making up a statement for Colonel Neill and I put them down according as they called them off.

Q. Did you make that checking from the receipts or from the tags that were put on the horses?—A. Receipts; I understood they were receipts, Mr. Carvell.

Q. Were they the red tag?—A. I cannot remember whether they were red, white, brown or blue.

Q. I want you to remember, and we will try and keep at you until you do remember. There has been evidence given here that when a horse was passed, a tag was tied onto his halter or bridle, and a duplicate of that with the weight and other specifications was placed on the duplicate and handed in to Mr. Keever or Mr. Mackay. Did you have those in your possession?—A. While the checking up was done?

Q. Yes?—A. Yes.

Q. Are those the documents from which you made your checking?—A. Yes, I understood those were receipts.

Q. Did those bear the signature of the vendor of the horse as a receipt for the money?—A. Yes, I would think so.

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Q. Do you swear they did in every case?—A. I cannot in every case, because there might have been some cards that I did not see, but I assume that they were.

Q. Do you swear that you checked up receipts sufficient to make \$72,000?—A. Do I swear that I personally did?

Q. That you personally checked up sufficient of those receipts from the farmers or vendors to check up the \$72,000?—A. I think it was more than that.

Q. \$70,000 and a few hundred. Did you check up sufficient of those to make that amount?—A. Well, I would not like to swear positively that I examined every one of those receipts. I may have accepted Mr. Oakes's word for having checked over the King's County lists himself, I am not absolutely clear upon that; but I do know that the total amount that I believed at the time, and I believe now, that the total amount on these receipts and the total amount were exactly alike.

Q. Did you see any of these receipts for as low as \$90?—A. I do not remember, Mr. Carvell, of any as low as \$90.

Q. Where else did you buy horses other than in King's, Hants, and Annapolis?—A. Halifax, Truro and New Glasgow.

Q. Who assisted, who did the buying in Halifax?—A. Mr. Woodworth.

Q. Who assisted in New Glasgow?—A. Mr. Woodworth.

Q. Anybody else?—A. I do not think so, I do not remember.

Q. Was somebody else there with you?—A. In New Glasgow?

Q. Was Mr. Mackay there?—A. Oh, no.

Q. Was Mr. Keever there?—A. No.

Q. Who was the veterinary?—A. Dr. Chalmers, of Truro.

Q. Who assisted you in Truro?—A. In buying?

Q. Yes?—A. Who bought in Truro?—Mr. Woodworth.

Q. And who was the veterinary?—A. Dr. Chalmers.

Q. Have you seen either Woodworth or Keever from the time they left Nova Scotia last summer or autumn, whenever it was, until you saw them within ten days ago?—A. No. Now, there is another question I cannot answer, because it involves—Mr. Woodworth came back to Ottawa, he did not leave the time Keever did.

Q. You can answer, yes or no.—A. I would say, yes. I have seen Mr. Woodworth since then, because I saw him in Ottawa after we came from Nova Scotia.

Q. How long a time after the 4th or 5th of September?—A. He came back with me.

Q. When would that be?—A. About the 10th of September.

Q. All right. How long did he remain here at Ottawa with you?—A. With me? You mean how long did he remain in Ottawa?

Q. Put it any way you like.—A. I do not exactly know, probably he left here sometime in October, it may have been later; he was back and forth to various places in the United States during the time he was here.

Q. You saw him occasionally down until October?—A. Yes, and possibly later. I do not exactly know what date he left.

Q. Did you see him in the early winter, just before Parliament met?—A. No, I would not have seen him later perhaps than the first of November. I do not know whether I saw him as late as that.

Q. You saw him in September, October and November?

The CHAIRMAN: He said probably the first of November.

The WITNESS: I would not say definitely in November.

By Mr. Carvell:

Q. All right. You saw him in August before you left Nova Scotia, you saw him in September, October, and possibly November. Did you ever discuss this horse purchase?—A. Oh, I may have, I do not remember particularly.

Q. Did you ever ask him if he made any money out of it?—A. I do not think I ever did, I may have, but—

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Q. If you did what answer did you get from him?—A. I cannot tell you that, it is only speculation. I believe he did not make a cent.

Q. And have you any further recollection about what took place between you and Mr. Woodworth?—A. What do you mean?

Q. Conversation?—A. What about.

Q. Profits?—A. There were no profits.

Q. Did you ever discuss profits with him?—A. Never discussed profits with him. Do you insinuate that I got any profits?

Q. Don't get excited. The public will do the thinking.—A. They will do that, thanks to your class.

Q. I am assisting them all I can.—A. Of course.

Q. Did you have any talk with Mr. Keever about profits?—A. Never a word.

Q. Nothing ever was said between you?—A. Not a word.

Q. Did you have any talk with Mr. Mackay about profits?—A. Never a word.

Q. Have you and Mr. Mackay ever discussed this horse purchase since Parliament met in February?—A. I do not think so.

Q. Have you seen Mr. Mackay at all since Parliament opened here?—A. Just casually, perhaps once or twice.

Q. You have never talked this matter over at all?—A. No, I do not think so.

Q. Did you and Mr. Keever, Mr. Woodworth and Mr. Mackay have a meeting over this matter, in Mr. Mackay's residence in Ottawa before you went down there?—A. Never.

Q. Never did?—A. No, sir.

Q. Did you have a meeting at any place, the four of you?—A. No, sir.

Q. Then these three men and yourself went to Nova Scotia without ever having got together and discussed the transaction at all.—A. That is quite true.

Q. You say that is quite true?—A. Quite true.

Q. Did you tell these gentlemen, or give them any indication, as to what the limit would be as to price?—A. Yes.

Q. What was it?—A. \$175, landed at Valcartier, as near as we could.

Q. On an average?—A. On an average, yes.

Q. Do you know what it costs to land horses at Valcartier?—A. No, I do not. We were advised it would cost about \$5 a head, and we were therefore asked to keep our average as near \$170 as we could.

Q. Then the cheques were made out for an amount which would make an average of about \$170, were they not?—A. What do you mean by that.

Hon. Mr. REID: What you mean is that taking the total amount of cheques that were issued, and the total number of horses purchased, the cheques show an average of \$170.

Mr. CARVELL: That is right.

The WITNESS: Speaking from memory, I should say that the rate was \$3.55 on horses from Nova Scotia to Valcartier, but I would not be sure about that. It was suggested we keep the price as near \$170 as we could.

By Mr. Carvell:

Q. Then as a matter of fact you did only issue sufficient cheques to make an average of \$170 for the horses you bought.—A. Well, the cheques show.

Q. I am asking you is that a fact?—A. Well, whatever the cheques show is a fact.

By Mr. McKenzie:

Q. You are the only person who was authorized by the Department, or Colonel Neill to go down there and buy horses for the Department?—A. Mr. Woodworth was asked to go down by Colonel Neill.

Q. He was subject to you.—A. Oh, yes, I would say so, Mr. McKenzie.

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Q. Everybody else, McKay, Keever and Woodworth were subject to your instructions, were they not?—A. Well, when you say everybody else——

Q. These three people, that is what I mean by everybody else.—A. Well, I would say so. That I think would be true, Mr. McKenzie.

Q. That is, Keever, Woodworth and McKay were subject to your directions.—A. Well, McKay would be subject to Mr. Keever's directions, but in the final analysis what you say would be true because Mr. Keever got his directions about the class of horses and all that sort of thing.

Q. I would expect with respect to yourself that when you passed out a cheque, you would insist upon vouchers to the extent of that cheque. Was that done by Mr. Oakes, did he retain for you vouchers covering the amount of the cheques?—A. Mr. Oakes can testify about that. My impression is that he did, yes.

Q. You say that in the last analysis you were responsible to the Government. Did you insist upon Mr. Oakes giving you any vouchers which would show the amount of money that you paid out?—A. Well, I asked Colonel Neill if they were required, and he informed me that the cheques were the only vouchers necessary. I don't think that I asked Mr. Oakes for a statement of that account, I am quite sure that I didn't.

Q. Then neither yourself nor Mr. Oakes insisted on any vouchers for the cheques?—A. What do you mean by vouchers.

Q. What I mean is this: you were authorized to cheque out money belonging to the Government?—A. Yes.

Q. When that cheque left your hands it did not come back to you any more?—A. Yes.

Q. What I want to know is what did you have in your hands to show the Government what you did with the money apart from the cheque itself?—A. I really——

Q. Did you have anything at all in your hands to show for the cheque you paid out?—A. I could not have the horses in my hands, could I? I don't understand you.

The CHAIRMAN: He said that he had the horses.

The WITNESS: The horses were put up for the money of course.

By Mr. McKenzie:

Q. In other words, Mr. Foster, if anything had turned out to be wrong with these horses, you had nothing in the world, no machinery at all, by which you could trace the animals back to the owners?—A. That was not provided.

Q. But you were the responsible man, with a head on your shoulders, you were supposed to do these things.—A. Perfectly true, but we only had four or five, five and a half days, to do that in.

By Mr. Carvell:

Q. We have not heard that kind of talk for at least one day.—A. It is true in this case.

By Mr. McKenzie:

Q. In so far as the Government is concerned, there is nothing available to-day by which misrepresentation or fraud can be traced back to the seller?—A. Well, you say that.

Q. I am asking you?—A. Well, I am not in a position to answer.

Q. Without having a proper receipt, if a horse turned out to be lame, blind or useless, you could not trace him back to the owner?—A. You could not tell any more about it then.

Mr. BOYS: What good would it do, Mr. McKenzie, if you had the receipt?

The WITNESS: No, you could not do anything.

By Mr. Boys:

Q. With whom was the credit for the necessary funds to make these purchases arranged?—A. I could not tell you about that other than this——

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Hon. Mr. REID: What official, you mean, I suppose?

Mr. BOYS: That is what I mean.

A. In my letter to Colonel Neill I asked him to arrange with the banks in the usual way. I don't know what way, I suppose the credit of the Government in the Bank of Montreal here, and that bank would advise the local bank in the constituency.

Q. But outside of the banks? Before the bank would advise the local bank to advance the money there would have to be some arrangement made with some official of the Government for the bank to make the necessary advance and charge to the Department?—A. I don't know about that.

Q. You do not know the name of any such official at all with whom such an arrangement was made?—A. In the Militia Department?

Q. Yes.—A. No, I do not.

By the Chairman:

Q. I want to understand that. You handled cheques?—A. Drafts.

Q. Upon a certain bank?—A. The Bank of Montreal.

Q. Did you handle any money?—A. Not a cent.

Q. Throughout the whole transaction?—A. Not a cent to my recollection.

Q. These drafts that you got were furnished to you by whom?—A. Colonel Neill.

Q. In the Militia Department?—A. Yes.

Q. At the time he furnished them to you they were in blank?—A. Yes.

Q. And the *modus operandi* was that you signed along with the veterinary?—A. Yes.

Q. When it was represented to you that there were a certain number of horses purchased aggregating a certain amount?—A. Yes.

Q. These men in charge of the buying would pay for these horses to the farmer, take the horses and get a cheque for those who got the money?—A. Yes.

Q. Was that the practice?—A. Exactly.

Q. And you swear that throughout the whole transaction from beginning to end you did not handle one dollar of money?—A. Yes, so far as I remember.

By Hon. Mr. Reid:

Q. Was Colonel Neill the only official, or any other person you had to do with in arranging for the purchase of these horses?—A. Absolutely, so far as I know.

Q. There was no other person you spoke to in the department or any member of the Government?—A. No member of the Government—I think I mentioned—I would not be sure, and I want to be absolutely fair about this as everything else—I think I mentioned the matter to the Deputy Minister, asking him who had the purchasing of horses in charge. That is when I went to recommend Mr. Parker. The Deputy Minister referred me to Colonel Neill.

Q. From the commencement of the arrangement, do I understand Colonel Neill was the only man you had dealings with, that he was the man who furnished you with the blank cheques and gave you authority and instructions to proceed in the purchasing of these horses?—A. Absolutely the only man.

Q. Everything that transpired after that was between yourself and the other men with whom you arranged to purchase horses?—A. Yes, sir.

By the Chairman:

Q. How did you get next to Colonel Neill? Did you go to him or did he come to you?—A. At first?

Q. In connection with the purchase of these horses?—A. I went to him to recommend Mr. Parker's appointment, at first. Then he telephoned me after that.

By Mr. Bennett (Simcoe):

Q. What is Parker's occupation?—A. He is a very large farmer in Kings county.

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By the Chairman:

- Q. Did you agree in the first instance when he asked you to go there?—A. No.
 Q. Did you object?—A. Yes.
 Q. In what way?—A. I told him I could not go.
 Q. Was there a request following that?—A. By telephone.
 Q. Is Colonel Neill here?—A. I presume he is at the front.

By Mr. Carvell:

Q. I want you to look at this cheque. It is dated Halifax, September 2, for \$3,210 in favour of Woodworth. Can you tell me by whom it is endorsed?—A. That is the first cheque, and we went down to John R. McLeod, to get him to identify at the bank.

Q. Who is John R. McLeod?—A. He is a business man in Halifax.

By Hon. Mr. Reid:

Q. It was only done for identification?—A. For identification purposes only.

By Mr. Carvell:

Q. Do you know that?—A. Absolutely.

Q. Were you present when that cheque was cashed?—A. When that cheque was cashed?

Q. Yes.—A. I think I was.

Q. Was that endorsement done in the bank or the hotel, or in Mr. McLeod's office?
 —A. In Mr. McLeod's office.

Q. In Halifax?—A. Yes.

Q. Now, there is another one (exhibiting cheque to witness)?—A. By Mr. Rood, of New Glasgow?

Q. Yes, by Mr. Rood of New Glasgow.—A. That was done for the same purpose.

Q. This is a cheque dated New Glasgow, September 4, 1914, for \$2,052, endorsed by Mr. C. L. Rood. Why was that cheque endorsed by Mr. Rood?—A. For identification at the bank.

Q. Do you know that of your own personal knowledge?—A. Yes.

Q. Did you try to identify this gentleman at other banks?—A. I had to be identified myself.

Q. Did you get anybody to identify you?—A. Mr. Rood is the man who identified both of us.

Q. The cheque for \$2,310, endorsed by Mr. McLeod, if you will look on the face of it you will find it was cashed on, I would say, the 2nd September.—A. The 2nd September.

Q. You see the stamp on the face of it?—A. (After examining). Yes.

Q. There is nothing on the back of it but there is the date and paid stamp on the face. That is the 2nd is it not?—A. It looks like it, I don't know I am sure. It is stamped out. There is a hole there.

Q. But the 2 is round the hole.—A. That is right. It was the 2nd, Mr. Carvell.

Q. You know now it is the 2nd?—A. Yes.

Q. Here is a cheque dated September 1, 1914, in favour of the same T. C. Woodworth and it is for \$2,160. Will you tell me whether that is endorsed by Mr. Woodworth or not?—A. Yes, that is his signature.

Q. When was that cheque paid?—A. I do not know, I am sure.

Q. Does that not show that it was paid on the first day of September?—A. Wait a moment until I look at it. It says:—

“Bank of Montreal, No. 1, September 1, 1914.”

It does not say paid.

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Q. What do you suppose that stamp is there for? Did that cheque not go through the bank on the 1st day of September?—A. I do not know.

Q. Do you mean to tell me on the face of this evidence that you do not know that?—A. I should say it did.

Q. Did it require anybody to identify Mr. Woodworth on the 1st day of September?—A. I do not know about that.

Q. Is there any identification on the back of that cheque on the 1st day of September?—A. I do not know.

Q. Do you see any identification on it?—A. No.

Q. Yet on the next day it required identification, to identify the same man in the same bank for the same amount?—A. I would presume so; probably it was a different official, I do not know. We had some little trouble with the banks.

Q. What trouble had you with the bank?—A. The banks were not advised by the Bank of Montreal with regard to those matters, and we had difficulties therewith.

Q. On the 1st day of September you had no trouble in Halifax?—A. I did not say that.

Q. Did you have any trouble on the 1st day of September in Halifax?—A. I think possibly I was identified personally by a gentleman standing there at the window; I do not remember his name, a man I knew in Halifax. He introduced me to the Manager; I think it is likely that is the manner in which that first cheque was identified.

Q. They did not ask the gentleman to endorse it himself?—A. No.

Q. On the next day when you and Mr. Woodworth went back the Manager would not take your word, and asked to have Mr. McLeod.—A. I do not think the Manager was there; the teller was there the second day, or the assistant teller.

Q. It is a funny thing that they should put it through the first day and require identification the next day.—A. There is nothing wrong at all.

The CHAIRMAN: Sometimes the bank makes a mistake in changing its date stamp.

By Mr. Davidson:

Q. Might it not happen that a man might present one cheque for a certain amount one day, and afterwards present another cheque for a larger amount, and require identification for that very reason?—A. Quite true; that happened in New Glasgow.

By Mr. Rhodes:

Q. Would you like to say anything further about any difficulty you had with regard to the banks?—A. No, not so far as I can go. Mr. Oakes will probably give evidence, and he will tell us.

By the Chairman:

Q. Is there anything further you want to say?—A. No.

Witness discharged.

Mr. J. B. PAGEAU called, sworn and examined.

By Hon. Mr. Reid:

Q. You read a letter here the other day?—A. Yes, sir.

Q. And you wish to deny some statements?—A. They said we offered to make housewives for 26½ cents. We never made any price; we never figured on them.

Q. So that that statement, so far as you are concerned, is not true?—A. Not true.

An Hon. MEMBER: Who made that statement?

The CHAIRMAN: Mr. German put it interrogatively.

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By the Chairman:

Q. You say that is not true?—A. Not true.

By Mr. Carvell:

Q. Did you have a talk with Mr. McClenaghan about making those housewives?—
A. No, sir.

Q. Did you ever figure on them yourself?—A. No, sir.

Q. Do you know what the component parts are, what different articles it takes to make up a housewife?—A. No, sir.

Q. So really you have not figured on it at all?—A. No, sir.

By Mr. Proulx:

Q. Did you apply to the Department for an order?—A. Yes, I asked to make some.

By Mr. Carvell:

Q. Whom did you ask?—A. Mr. Brown.

Q. Did you quote a price to Mr. Brown?—A. No; Mr. McCann asked me how much I would be able to make them for.

By Mr. Hanna:

Q. What was the date?—A. In October some time.

By Mr. Carvell:

Q. And what answer did you get?—A. He asked me what I would make them for; I said about 50 cents each.

Q. Did you figure them on the cost?—A. No, I just took a chance on the price.

Q. Without any figures whatever?—A. Yes, sir.

Q. Did you get an order?—A. No, sir.

Q. After you put in the price of about 50 cents, did you figure up on whether you could do it or not?—A. No, I did not get any order, so I did not figure it up.

Q. Did you not make some of those housewives?—A. We did the making only.

Q. For whom?—A. A party in Ottawa.

Q. Who was that?—A. The 2 Macs.

Q. How many did you make?—A. I could not say; I cannot tell exactly; it was a little over six thousand.

Q. Did they furnish you with the cloth?—A. We had just the making to do.

Q. Was the cloth in web, or was it cut up?—A. It was all cut; we just had to make them.

Q. Do you know how many they would get out of a sheet of cloth?—A. No, I did not figure it up.

Q. How much did you get per article for making it?—A. 5 cents.

Q. And you made 6,000?—A. There might have been two or three hundred more.

Q. In the vicinity of 6,000?—A. A little over 6,000.

Q. Did you make any of them for less than 5 cents?—A. No, sir, that is the only time we made some.

Q. And that includes all the sewing that was on them?—A. Yes.

Q. Did you do any filling?—A. No.

Q. Did you put the thread in?—A. We supplied the thread for sewing them up

Q. But there were hanks of linen thread put in; you did not put them in?—A. No.

Q. Did you try to make any more?—A. I went up and asked for some; that was in August, I guess, or September. I met Mr. Brown, and told him we could make some; I did not see Mr. Brown; he sent Mr. McCann downstairs, and Mr. McCann asked me what I would make them for, and I said about 50 cents each.

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Q. Did you go back to the 2 Macs and try to get an order for any more?—A. No, I phoned them and said if they had any more to do we had plenty of room.

Q. Did you offer to cut the price any?—A. I think I said about 4 cents. I said I would make them for 4 cents; that was just for making.

Witness discharged.

Madame PLAMONDON, recalled.

Evidence interpreted by Mr. Pacaud, M.P.

By Mr. Rhodes:

Q. Have you a statement of your accounts with the Government?—A. This (producing document) is my contract.

Q. You have nothing showing the increase in prices for the Valcartier Camp?—A. I wish to explain that the reason I come before this committee to-day is I have seen in the newspapers that many insinuations have been made against me in connection with the contract I have from the Department, especially with regard to the increase in prices charged in the accounts totalling \$23,000. I wish to explain that out of that amount there was \$4,000 which relates to articles I have sold to the Quebec Hospital, and \$2,000 for the veterinary drugs, the balance is the amount supplied to Valcartier.

By Mr. Carvell:

Q. I will explain to you, Madame Plamondon, that in the statements furnished by the Department all the amounts aggregating \$23,000 appear as having been for articles supplied to the Valcartier Camp. Do I understand you to say that some of the ordinary drugs supplied to the Hospital, and some supplied to the Veterinary Service are included in that amount as well as the drugs furnished to Valcartier Camp?—A. That is right.

By Mr. Rhodes:

Q. In the printed statement I have a price list which I presume is the one you have before you, and that shows the increase, does it?—A. That is right, absolutely.

Q. The first list of prices as given here is the list on your regular contract after tender for drugs at Quebec before the war?—A. That list had been corrected at the time, in August, at the beginning of the war.

Q. That is the corrected list?—A. Yes.

Q. In consequence of the increase in the prices of drugs due to the war?—A. Yes. The old list was prepared in 1913.

Q. And by arrangement with the officers of the Department that price was increased at the opening of the war?—A. Yes.

Q. Was the increase in the price of quinine 25 per cent?—A. 25 per cent.

Q. And why was that increased price asked by you?—A. For the reason that the wholesale price had gone up.

Q. I understand that you had the regular contract for supplying drugs at Quebec the year before?—A. Yes, I had the contract with the Department and I did not ask any higher price until the time of the war.

Q. Can you tell about the total value of the drugs sold the year before to the Government?—A. It was small, I do not remember exactly.

Q. Do you think it was under \$2,000?—A. No, it was over \$2,000.

Q. And for the second year up till the time the war broke out how much was it?—A. Altogether it was \$23,000.

Q. I do not think you quite comprehend my question. You say for the year before last, 1913, roughly speaking it was \$2,000?—A. Yes.

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Q. Now, from the end of that contract, until the change of prices took place, about how much had you sold to the Government?—A. The prices were fixed by the contract, it is difficult to say the amount.

Q. Would it be \$2,000?—A. It would be very difficult to tell.

By Mr. Carvell:

Q. We have evidence, Madame, that there was one account of \$800?—A. Yes.

Q. We know that there was at least \$800 worth in that one account?—A. Somewhere around that.

Q. Do you think there would be any more than \$800 up till the time the war broke out last year?—A. Yes, there would be something more.

By Mr. Rhodes:

Q. Madame Plamondon, I think, stated, that the total value of drugs in her shop was \$5,000?—A. By my inventory.

Q. Now, the increase in price was 25 per cent in quinine after the war; what was the increase in asperin?—A. In the list here, it is augmented by 50 per cent.

Q. And did you have to purchase asperin at the increased price?—A. I had to pay 50 per cent more for it.

Q. Did you have any difficulty in procuring articles such as quinine and asperin in the quantities which were suddenly demanded for the Valcartier Camp?—A. I had difficulty for the reason that the orders had to be fulfilled in such a prompt manner.

Q. And for larger quantities?—A. That was partly the reason also.

Q. During what period of time was this total quantity of \$23,000 to the Government supplied? Between what dates?—A. From the first of April, 1914, to the first of February, 1915.

Q. This total of \$23,000. Did you actually lose money on the sale of some of the articles sold at the prices named?—A. Yes, on a few which I could mention.

Q. If you have a memo. will you give it?—A. On the blue ointment, or the whole of the contract for the blue ointment every time I sold any I lost money. On olive oil, castile soap, castor oil, albolin, carbonate of ammonia, spirits of ammonia, aromatic. I sent a complete list of the articles upon which I lost money to the Department, so they must have it here.

Q. And there were others in addition to what you have named?—A. Many more.

Q. Did you only receive the cost price on some articles?—A. On many articles.

Q. The quantity of blue ointment has been mentioned. How many packages, or how many small tins were delivered; or how was it delivered, in bulk, or small tins, and how many?—A. Thousands and thousands of small boxes.

Q. Half ounce or one ounce?—A. One ounce, sometimes half ounce.

Q. Another article I remember a question was raised with respect to was one gallon of whiskey at \$9. How was that delivered as to price? I do not know whether it was whiskey or brandy.—A. Probably I sold it.

Q. I recall one gallon of whiskey charged at \$9?—A. Sometimes it had to be delivered in bottles.

Q. How many bottles to the gallon?—A. One gallon to the bottle.

Q. How many bottles does it take to the gallon?—A. I do not know, nine or twelve.

Q. If that is the case the price was very reasonable.—A. There is one special article upon which I want to give an explanation, that is of the 1,200 per cent that it is claimed I have made.

Q. Please make your statement.—A. It is on the article Glycyrrh liq., 16 fluid, shown in this statement prepared by the Department.

Hon. Mr. REID: The contract.

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The WITNESS: Fixing the price allowed to be charged at \$1.15 an ounce which amounted to the sum of \$18.40 a pound. Since the war started this article went up in price 25 per cent so I charged that after having requested permission of the Department.

By Mr. Hanna:

Q. Did you supply 4 pounds or 4 gallons of that stuff. In the invoice submitted here the other day there appeared to be 4 pounds charged, and I thought it amounted to 4 gallons.—A. It is my impression it was bought by the pound.

Q. And there were 4 pounds in the invoice? (No answer).

Hon. Mr. REID: 25 per cent profit, that is all it is.

The WITNESS: I do not want the impression to be created that there was any fraud at all. When I charged that price, I had that statement before my eyes.

By Hon. Mr. Reid:

Q. The contract?—A. Yes, the contract.

By Mr. Rhodes:

Q. Have you made a computation of your profits on the whole transaction?—A. Well, I was preparing my account, and making them out with the idea of making between 20 and 25 per cent on my whole contract, though I might have been losing on some. I wanted out of the whole contract with the Government to make a profit of between 20 and 25 per cent on the whole.

By Hon. Mr. Reid:

Q. Mr. Watters swore the other day that in some cases the druggists selling retail, in small quantities, make as high as 100 per cent. Is that the fact?—A. Very often and there are certain articles upon which there is no money to be made at all.

By Mr. Carvell:

Q. How much of the blue ointment did you put up in the little tins in your own place of business?—A. Well, it is hard to say exactly, it is in the thousands.

Q. Did you put these all up in your own place, or did you buy it from the wholesales?—A. Bought from the wholesalers.

Q. You bought them from the wholesalers?—A. Very often.

Q. That is what I thought.

By Mr. Rhodes:

Q. Did you buy in bulk or put them in the small tins after?—A. I had to be helped to do it in many cases, because the Department was in a hurry. I paid for this ointment \$1.28 and sold it for \$1.20.

By Mr. Carvell:

Q. From whom did you buy the ointment?—A. Different places.

Q. With what wholesale firms do you deal or buy your drugs?—A. From many.

Q. Will you give the names of some of the leading ones?—A. Livernois, in Quebec.

Q. They are wholesale druggists?—A. Yes. Morin in Quebec, and, well, many in Montreal.

Q. The National Drug Co.?—A. Sometimes.

Q. Did you buy any from Parke, Davis & Co.?—A. Yes, sometimes.

Q. Take this blue ointment: do you remember from whom you purchased the blue ointment?—A. I really believe it is from Livernois, the great part.

Q. Would it be fair to say that the great proportion was purchased by you in the small tins, and you simply handed it over to the soldiers as you got it?—A. In most cases.

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Q. Have you the invoices with you of the firms from whom you bought the blue ointment?—A. No.

Q. You bought it at \$1.28 a dozen?—A. Not a dozen, a pound.

Q. A pound would hardly be a dozen. It does not make any difference. We had the evidence here the other day, that when you talk about a pound of these drugs you do not mean 16 ounces but 12 ounces?—A. No, it is often 16 ounces.

Q. Either?—A. Yes.

Q. Do you remember how many pounds you purchased?—A. No, I do not.

Q. Do you know how much money you actually lost on the blue ointment?—A. I know I was losing 8 cents a pound.

Q. You do not know how many pounds were purchased and therefore you do not know the quantity?—A. No.

Q. Do you know how much you have lost on the olive oil?—A. No, I do not remember.

Q. Do you remember what you paid for the olive oil?—A. Different prices. By my contract I was obliged to sell it at \$1.40 a gallon.

Q. You do not know what you bought it for?—A. No, I do not remember. The price never remains the same.

Q. The price varies?—A. Yes.

Q. And there are different qualities, are there not?—A. Yes, but all the olive oil they had from me was of extra quality. They insisted upon that always.

By Mr. Hanna:

Q. What grade of olive oil did you have?—A. First class quality.

Q. The evidence given here is that olive oil of first quality costs \$4 a gallon.—A. At any rate, I lost a lot of money. But I could not say on what special item. I had to give my orders by telephone in a terrible hurry and order the stock by express.

By Mr. Carvell:

Q. Could you tell us how much money you have lost on these goods on which you claim to have lost money?—A. I could not give you the figures on the articles in bulk or on the articles separately. I wrote to the Department explaining that on certain articles enumerated I had lost money, and although there were others on which I had come out even, I would have to charge more in order to make a reasonable profit. On one occasion they pressed me so severely to expedite delivery I had to send a man especially to Montreal to fill the orders.

Q. Did you have any difficulty in getting your pay from the Department for any of these goods?—A. Yes, I had.

Q. Evidence was given Saturday regarding correspondence which took place with the Department over a bill of \$800. Did you have any difficulty with regard to any other bill outside of the \$800?—A. Yes, I had some difficulty with the goods sold to the Valcartier Camp.

Q. And what did you do to have the matter adjusted?—A. I wrote to the Department setting out the facts exactly as they were: that on certain articles I was losing money, but on others I was making a profit. Some prices were very high and some very low, according to the market figures. Throughout the winter I sold goods at prices which were reasonable because there was ample time to buy and deliver them, and I was able to get quotations from the wholesale houses.

Q. Have you brought with you invoices of the goods you purchased to fill the orders?—A. I do not have those invoices with me because I did not come straight from Quebec, but from Montreal.

Q. Do you buy goods yourself or have you a manager who does that for you?—A. It all depends. Both the manager and myself do the buying.

Madame PLAMONDON.

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Q. Did these goods for Valcartier pass through your store or did they come from the wholesaler direct to the Government through you?—A. Generally speaking they passed through the store, except in exceptional cases.

Q. That is, you took the goods in, broke the bulk, and then put them in other packages?—A. Yes, often. Some times it was not necessary for me to do so.

By Mr. Rhodes:

Q. Were you, Madame, put to any large additional expense on account of having to supply these goods in large quantities, whereas before, you supplied a small quantity in the ordinary course of events?—A. Yes, certainly. The staff had to work day and night.

Q. Did you have to get additional assistance?—A. Sometimes.

By Mr. Carvell:

Q. Have you ever figured up from your invoices what all the goods you sold to the Government for Valcartier camp cost you?—A. No, because my ordinary business was incorporated with the other.

By Mr. Rhodes:

Q. Were you notified by the wholesale houses of the increase in prices?—A. Yes, I was notified.

Q. Were the increases large in amount?—A. They vary from 25 to 400 per cent.

Q. In some cases did you have any difficulty in getting any quantity delivered?—A. Ordinarily it would be quite possible to get goods delivered at the prices quoted. Owing to the outbreak of the war that became impossible, and often when the wholesalers would notify me of prices, they would state that those prices ruled only for the day.

Q. That is they would only be good for 24 hours?—A. The next day the prices would change again.

Q. Would some of the invoices bear the statement that the prices therein referred to were subject to change without notice?—A. On every invoice it was marked that the prices were apt to change every day.

By Mr. Carvell:

Q. When did you first commence doing business with the Government?—A. In October, 1913.

Q. Did you go to the Government yourself, or did you make application through your brother?—A. My brother went.

Q. And he succeeded in getting contracts for you?—A. It was very easy to get those contracts since nobody else wanted them; there was too much trouble connected with them. Very few wanted those contracts because it was very hard to get paid and the prices were low.

Q. But you continued doing it?—A. Yes.

Q. And I suppose when you got into trouble you went to your brother?—A. I never had any trouble. I followed the prices here (pointing to contract).

Q. When you did get into trouble you went to your brother to help you?—A. Maybe. He is my best friend.

Q. And your brother always helped you?—A. He did his best.

Q. At the time this war broke out in August did your brother help you to get these large orders or did they come to you in the ordinary course of business?—A. Just by the contract. Nobody knew what would be the figure realized by the contract; it might have been small or it might have been large. I wish to correct the impression that I have a special contract for \$23,000 with the Government. Nobody knew at that time what the price would be. It was simply continuing the old contract.

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Q. Did any other druggist in Quebec, that you know of have a contract for supplying drugs to the Government?—A. No, I do not think so.

—A. As far as I remember I wrote to the Department. I used to see the officer nearly

—A. As far as I remember I wrote to the Department. I used to see the officer nearly every day in Quebec and would explain to him there that the prices were going up.

Q. Then you did not endeavour to make these changes through the Department at Ottawa?—A. Yes, the officer wrote from Quebec and I also wrote.

Q. You went to the officer?—A. Yes.

Q. He wrote to Ottawa and brought back the reply, and you wrote too?—A. Yes.

Q. Who was the officer?—A. In Quebec, you mean?

Q. Yes.—A. Major Clarke.

Q. Was he a man who had been stationed in Quebec before?—A. I just knew him at the time of the war. I do not know if he was there before or not.

By Mr. Hanna:

Q. Did not Mr. LaRoche get a contract for drugs last year?—A. Yes. Veterinary drugs.

Q. Does the Government not call for its contracts on the 1st of April?—A. Yes.

Q. That is the yearly contract?—A. Yes. I put in a tender for the contract which Laroche got, because his was the lower price.

Mr. HANNA: She lost it. Her brother could not help her there.

Witness discharged.

Mr. SPURGEON SELFRIDGE recalled and further examined.

By Mr. Rhodes:

Q. When you gave evidence the other day, you made the statement that Abner Woodworth had told you that he had bought a horse for \$50, and sold it to the Government for \$130.—A. I told you that he told me that he had bought her for \$50—I do not really remember whether I told you that Woodworth had told me that he got \$130. If I did not tell you that, I tell you now.

Q. I have a typewritten copy of your evidence in which you said in response to this question:—

“Q. What did he “—that is, Abner Woodworth— “pay Bartaux for the mare?—A. I only know that he told me last spring he bought her for \$50.

“Did he tell you how much he got for her?—A. He said he got \$130.”

Is that right?—Yes.

Q. You know Abner Woodworth pretty well?—A. I certainly do.

Q. Is he a reputable man?—A. I would suppose.

Q. Do you say he is a good citizen and a reputable man?—A. Am I supposed to express my opinion on men's characters here?

Q. If you have anything to say against him, why not say it?—A. When I came here I did not know my oath was to be taken for that; I do not care to answer that question.

Q. I have a telegram that I have just received. I would like you to look at it and read it out.

Mr. CARVELL objected to telegram being read.

The CHAIRMAN: This witness knows Abner Woodworth, and has known him for years and I assume he knows his reputation in the neighbourhood, and I think he might be asked upon that.

Mr. SHARPE: Has not Mr. German and Mr. Carvell and other gentlemen who have cross examined witnesses put questions saying, I am instructed so and so.

Mr. S. SELFRIDGE.

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The CHAIRMAN: Exactly, but no objections was taken to it. Objection is taken to this. The way I look upon it is this: Mr. Selfridge is in the box, and he has been permitted rightly or wrongly, to make a statement about what Mr. Woodworth said to him. He is liable to be cross-examined on every phase of that, and I think the proper question to put is along the lines I have indicated; that is, this gentleman knows Woodworth, knows his reputation in the neighbourhood, he can be asked what it is. There was no objection to the other questions; otherwise I would have ruled the same.

Mr. RHODES: I am quite content to have it that Mr. Carvell objects.

By Mr. Rhodes:

Q. If Mr. Woodworth says he is prepared to make an affidavit that he never made any such statement to you, will you say that that affidavit is false?—A. I do not understand your question.

Q. If Mr. Woodworth says he is prepared to make a statement that he never told you that he bought the horse in question for \$50 do you say that if he makes that affidavit it will be a false affidavit?—A. I can simply say this; I would say this: that he told me when in his own house—I think it was in his own house or in mine; I would not say which—if you will allow me to answer in my own way, I feel sure it was in his own house last winter. While at his own house last winter, his grandson—

Q. I do not care about his grandson.—A. His grandson was plaguing him with reference to making so much money on the mare; and I said: What did she cost you? He said, \$50. I considered it was a pretty nice thing to pay \$130 for a horse that he buys for \$50. He was so proud of it that he got so much out of his horse.

Q. I am going to renew my question. If Mr. Woodworth says he is prepared to make an affidavit that he never told you he bought that horse for \$50, will you say that that affidavit is false?—A. I will certainly say he told me; and if he says it is false, that he did not tell me, it certainly is false. If you will permit me, I will say further that six hours before I left him his grandson who was with him when he bought the horse and worked with me all summer told me that if you wanted evidence—

Q. Do not tell us what his grandson said; that is not evidence.—A. He was with him when he bought the horse.

Mr. RHODES: I object.

WITNESS: I do not wish to say anything that is not permitted.

By Mr. Rhodes:

Q. Do you know Frank Carey of Aylesford?—A. I know two or three Frank Careys; two now. There were three, but one is dead.

Q. Did you not refer to a Frank Carey in your evidence?—A. I may have.

Q. On page 73 of the typewritten copy of the evidence you said you knew a horse that Mr. McGarvey sold, and you said the horse was ten years old. Then you were asked to give a description of the horse, and you said you would. You were asked:

“Q. Was he sound?—A. No.

Q. What were the blemishes?—A. Well, I was looking at him a day or two before, talking of buying him, and I looked at him quite carefully. I thought he had a spavin on one hind leg, and that he was foundering. He offered him to me—

Q. For how much?”

Mr. RHODES: There was only one case you mentioned.

WITNESS: There is only one McGarvey horse.

By Mr. Carvell:

Q. You know the horse he is referring to?—A. I do.

Mr. S. SELFRIDGE.

By Mr. Rhodes:

Q. The question was asked:—

“Q. For how much?—A. He first asked \$150. I laughed at him, and he asked me if I would give \$125; and I said, No. I did not know at the time, but I afterwards learned.....”

Q. Now you say here—you acknowledge that is the evidence you gave?—A. Some of it seems to sound all right.

Q. Do you want to change any of it now?—A. No, I do not, not anything I have heard.

Q. You say you know two Frank Careys of Ayleford?—A. Yes.

Q. Are they reputable men?—A. I do not think it is fair to ask my opinion on that question.

Q. You do not wish to give it?—A. I do not wish to give it.

Q. Apparently you are the only reputable man in the county. If either of these men came upon the stand, and were placed upon their oath and said they knew the McGarvey horse and had known it since it was foaled, and had used it in the spring, and that they knew it to be sound, and never knew it to be spavined or saw anything unsound about it, that it was not foundered, or wind broken, would you say that either of these men would be wrong?—A. If it was the one you have reference to, I imagine I would.

Q. You want to differentiate between the two Careys?—A. Yes, one of them is a horse man and the other is a telephone man, but I do not think he is in Aylesford now. When I say that one of them is a horseman I mean that he is a farmer and has horses.

Q. Supposing the telephone man came on the stand and said that the horse which you said was spavined, foundered and wind broken was not, what would you say?—A. I would say in the first place that I never said that. What I said was that I thought the day I examined him he was and further I would say that if Frank Carey came up on the witness' stand and said that it was not so I would say that it was false—that is the farmer and the horseman.

Q. You say now that you only thought that—A. I think if you read it that is what I said.

Q. Might the horse have been sound?—A. Might he have been sound?

Q. Yes, that is the McGarvey horse?—A. He might have been once.

Q. Might he have been sound at the time you looked at him?—A. No, sir.

Q. Why do you say that you thought he was spavined, were you not sure of it?—A. I was satisfied in my own mind that he was.

Q. You said he was?—A. I believed he was.

Q. You said that in your judgment you thought it was, you said he was foundered?—A. I thought he was.

Q. Might the horse not have been foundered?—A. That is the only thing that he might not have been, but if he wasn't foundered he was close to it; it would be hard to detect whether he was foundered or just coming on.

Q. As far as the question of foundering was concerned was the horse sound? Might he be sound?—A. He may have been once, but he wasn't the day I looked at him.

Q. You are sure he was foundered the day you looked at him?—A. I thought he was, it was very clear that he was either foundered or bogged.

Q. And the evidence was there that he had been foundered?—A. His chest was hollow and fallen in, and when I notice a horse that way I am suspicious.

Q. Eliminating the other defects that the horse may have had, as far as the question of foundering was concerned, might he have been a sound horse the day you looked at him?—A. Might he have been?

Q. Yes?—A. A sound horse?

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Q. You haven't sworn positively that he was foundered?—A. I haven't sworn positively that he was foundered?

Q. You were round there all the time?—A. I swear I think it was, there was something wrong with him forward and I thought it was either a founder or a bog.

Q. Are you willing to swear he was foundered?—A. No, I told you the other day I thought he was.

Q. Eliminating the other defects, so far as the question of foundering was concerned on the day you look at the horse might he not have been sound and not foundered? You can't say?—(No answer.)

Q. I have asked you, eliminating all other defects which any horse might have, spavins, splints and all the rest of it, leaving those out and coming down to the founder alone, on the day you looked at that horse, might he, as far as the question of founder alone is concerned, have been a sound horse?—A. Well—

Q. That is a question you can answer yes or no. You do not have to hedge on it at all?—A. I do not know how I am going to answer that yes or no. It was my opinion he was, but, as I said before, I have a little knowledge of horses, and I consider it quite a difficult matter. I have had a horse only last week, that I was sure was foundered, and come to find out she had a bad case of thrush.

Q. You are in doubt whether it was a founder?—A. In doubt whether it was founder or what it was, but there was something wrong forward.

Q. You were in doubt as to whether it was a founder or not?—A. I was.

Q. But in your judgment it might have been a founder?—A. It was my opinion that it was.

Q. You were not sure?—A. No, because a founder is something that takes a shrewder man than I am to be sure of.

Q. Was it your opinion when you looked at that horse that he was foundered?—A. It was.

Q. And if F. Carey, the horseman, is willing to swear that the horse wasn't foundered would you say he was mistaken?—A. I would say he was mistaken, yes.

Q. Now you gave some evidence with respect to the Bowlby horse, as to how old that horse was?—A. A mare, you mean?

Q. Yes?—A. As far as my memory goes I considered that mare was 17 or 18; perhaps I said 18 or 19. At the time I was figuring on the age of a colt I raised the same year that she was raised, and I might be mistaken in a year or so but not more than a year.

Q. You have brushed up your memory, have you?—A. I have been thinking it over since.

Q. You say the horse would not be less than 15 years old?—A. I do not think so.

Q. You were very positive in your evidence, I have it here, that she would be 17 or 18 last spring?—A. I would think so, and yet, as I have said before, I might be mistaken a year or so.

Q. Will you say now that she may have been only 15?—A. I would not say but what she might not have been more than 15, but I think she was.

Q. Would you say you think she is more?—A. I think she was.

Q. But she may not have been 15?—A. Yes.

Q. Might she not have been more than 14?—A. No, sir, I think not.

Q. Now, if this man Carey would swear that he knew this horse intimately and that she was only 12 years this spring, would you say that he is mistaken?—A. Yes, I think he must be mistaken, but if Mr. Bowlby would tell me that I would say I would believe it.

Q. You mean to say that you believe Mr. William Bowlby more than you would Carey?—A. Yes, upon that question.

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By Hon. Mr Reid:

Q. Did you not swear the other day that this horse was, to your knowledge, 17 or 18?—A. I said I thought she was 17 or 18, if you remember right.

Q. You were within a year or two, you suppose?—A. I suppose I was within a year or two of the mare's age.

Q. Now, when you say 17 or 18, you have refreshed your memory and you are willing to swear now that she wasn't 15 or more?—A. Will I swear that?

Q. Yes?—A. I swear I believe she is.

Q. Did you know the other day?—A. I knew then the same as I know now, and I know now as well as I did then. I have been trying to figure out the age of the colt I raised the same year as she was raised; I might be mistaken in a year or two, but I am of opinion that she is 15 or over, I thought at the time she was 17 or 18.

Q. The only trouble is that you should know definitely. You led the committee to believe the other day that this was a mare 17 or 18 years of age; that is the impression you gave. Now you will not swear that she is not over 12?—A. No, I will not swear that she is not over twelve.

Q. Or over ten?—A. No. You asked me if I would swear she wasn't over 12? I would swear she is over 12.

Q. Will you swear she is over 13?—A. Yes, I will swear I believe she is over 13.

Q. It is not what you believe, you say you know.—A. I have no record, but as far as my memory serves me, if you asked me, I think I know how old my own colt was, because I raised it, I haven't it in black and white, and I cannot prove that to you.

Q. Do I understand you that if you raised a colt of your own you could not give us definitely the age of that colt, the year that it was raised?—A. No, with the exception of one or two; there are only about two I can give you because I can figure them from the time I took the farm at home, but every year since that I have raised a colt or two and I could not give you definitely their ages, with the exception of those two when I first took the farm.

By Mr. Rhodes:

Q. You say with the exception of one or two you would not be able to swear to the age of your horses?—A. Apart from two or three of the first ones, something like that, unless there is anything to fix it by.

Q. Did you not say a moment ago to Dr. Reid that you could not swear to the age of horses you raised yourself?—A. Except one or two. Except in a few cases, I could not give it to you in black and white, further than my memory would enable me to do so.

Q. Is that what you want to state now?—A. Yes, because I could not give you in black and white just exactly the age they are.

Q. Have you owned horses that you would not be willing to swear as to their age?—A. I think perhaps I had better qualify the answer; I have had a great many different horses.

Q. Yet you came here the other day and you were prepared to swear that horses owned by other people were 18 years of age?—A. That I was willing to swear?

Q. You did swear that the Bowlby horse was 17 or 18 years of age without any qualification whatever?—A. Did I?

Q. Yes?—A. All right.

Q. Would you swear now that the Bowlby horse was 17 or 18 years of age?—A. I thought so once.

Q. I have asked you if you swore that the Bowlby horse was 17 or 18 years of age on that day she was sold?—A. I hadn't looked at her that day.

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Q. Yet you come here and swear that that horse was 17 or 18 years of age. Do you want to qualify that statement now?—A. Do I want to qualify it? I do not understand you.

Q. You still swear that the Bowlby horse was 16 or 17 years of age?—A. I told you a minute ago I may have been mistaken a year or two in her age.

Q. I want to ask you if you are as positive now as you were when you gave your direct evidence?—A. My opinion is the same, I may have spoken then a little more quickly than I would to-day but I would say my opinion is the same.

Q. You are more cautious to-day?—A. Should be after the examination I have seen here, should I not?

Q. Do you want to qualify the statement you made the other day which was unqualified, that the Bowlby horse was 17 or 18 years of age?—A. If qualifying means that I might be mistaken in a year or two, it would seem to be as likely to be older as younger.

Q. If Ingraham Bowlby came here and swore that the horse was under 12 years of age this spring, what would you say?—A. I would believe him.

Q. You would say you were mistaken?—A. I would say I was mistaken.

Q. Do you know Samuel B. Chute of Berwick?—A. I do.

Q. You know him?—A. Yes.

Q. Is he a good citizen?—A. Yes.

Q. Is he a good judge of horses?—A. I do not think so.

Q. You have not much of an opinion of him as a horse man?—A. As a horse man.

Q. Is he a good citizen?—A. A good man.

Q. Did you see the horses that he sold?—A. Did I see them?

Q. Yes?—A. I may have seen them, I think I seen them led into the yard that day.

Q. Did you know the two horses?—A. Not to say, know them.

Q. Are they good or fair?—A. I would suppose they would be good, because he usually has nothing else.

Q. And yet he is not a good horse man?—A. No, sir, he won't tell you he is.

Q. Does he get these good horses by good luck?—A. He sends his foreman to buy them for him.

Q. You say you don't know anything about the value of them. If Samuel Chute came on the stand and swore that in his judgment all of the horses bought at Berwick were good value for the money, what would you say?—A. I would say he erred in judgment badly.

Q. Because in your opinion they were not good value?—A. Yes.

Q. Do you know Arthur A. Vineau, of Aylesford?—A. I know there is a man there called Arthur Vineau.

Q. You do not know him personally?—A. There is a large family of those moved in, and I do not know that I would know one particularly from the other. They have only moved in just lately.

Q. Do you know E. J. McKenna of Kingston?—A. I do.

Q. Is he a good citizen, a reputable man?—A. I think so.

Q. If he should come upon the stand and swear that he personally supervised the stabling and loading of 80 horses purchased at Kingston and observed them, and that they were good horses, what would you say with respect to that statement?—A. I would say that there is no danger of his doing it.

Q. You do not believe he would do it. I see. Do you know J. H. Taylor of Aylesford?—A. J. H. Taylor?

Q. Howard Taylor?—A. Oh, yes.

Q. He is a reputable man?—A. Why, I guess so.

Q. Have you some doubts?—A. I would rather you would not ask me about the character of my neighbors.

Q. You have no hesitation in expressing it about Samuel B. Chute?

Mr. CARVELL: Or Ingraham Bowlby.

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By Mr. Rhodes:

Q. You have your doubts?—A. I do not care to have put in black and white—

Q. I don't want you to make any statement that is not true.—A. I am not here to give the character of people, it is horses.

Q. You maligned the character of people here freely in your evidence the other day when giving evidence about horses.—A. If you will give me evidence of that—

Q. The gentleman on the stand?—A. Who was it?

Q. With respect to the manner in which you spoke of the horses, swearing positively that they were 17 or 18 years of age?

The WITNESS: My lord, have I got to sit here and be accused of maligning the character of people when I say I did not.

Mr. RHODES: This witness has been very fresh upon the stand. He had no hesitation in coming here the other day and swearing positively that a horse was 17 or 18 years of age, when another witness says he is 10.

The WITNESS: That is not a man's character, I did not malign a man's character.

By Mr. Rhodes:

Q. If Harvey Taylor came upon the stand and said he knew the Ingraham Bowlby horse, that he was only 12 years of age this spring, what would you say?

Mr. MCKENZIE: This thing is absolutely irregular.

The CHAIRMAN: I do not know that it is.

Mr. RHODES: You know perfectly well that this same thing we do every day in a court of law. We lay the foundation of bringing a witness in on the question of credibility. I will undertake that if I am here another Parliament every one of these men whose names have been mentioned will be brought here.

Mr. CARVELL: Bring them now, we will stay with you.

Mr. MCKENZIE: If these men had been on the stand and sworn and made this statement, then this question might be put.

Mr. RHODES: They do not need to go upon the stand at all. One witness must come on before another.

Hon. Mr. REID: That has been done right along.

Mr. CARVELL: I dissent from that. I have never asked one man his opinion about some man who is not to give evidence.

By Mr. Rhodes:

Q. I am asking if Harvey Taylor, of Aylesford, came upon the stand and swore he knew the Bowlby horse or mare, as the case may be, that it is only 12 years old this spring, what would you say?—A. I do not know any Harvey Taylor.

Q. Howard Taylor?—A. If he came upon the stand and swore that the mare—

Q. Was 12 years of age this spring?—A. I would have to tell him that he either was not telling the truth or erred in judgment.

Q. If Ingraham Bowlby came upon the stand, you would believe him?—A. He raised her, and knows her better than anybody else.

Q. Would you accept the statement of Ingraham Bowlby on this horse now?—A. I would suppose Ingraham Bowlby would know better than anybody else, he raised her.

Q. If he gave evidence that the horse was not 17 or 18 years old, you were mistaken?—A. If Ingraham Bowlby was here and made that statement himself?

Q. You would say you were mistaken?—A. Yes.

By Mr. Boys:

Q. Then you would say you were out five years in the case of that horse?

Question objected to by Mr. Carvell.

By Mr. Boys:

Q. Will you answer that question?—A. I don't think I have any right to, but if the Chairman says I should I will be compelled to do it.

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Mr. BOYS: Does he admit that his judgment might be out five years in the age of that horse? If that is not a proper question... Do you admit that is proper?

Mr. CARVELL: That is not what you said before.

By Mr. Boys:

Q. Have you any objections to answering it? What are you antagonistic for?—A. I did not know I was antagonistic. What is the question?

Q. Have I to put it the third time? Are you prepared to admit that your judgment might be out five years in the case of that horse?—A. If Ingraham Bowlby came here and swore that the mare was only 12 years of age I would swear that he should know better than I.

Q. Are you prepared to say that your judgment might be out five years?

Mr. CARVELL: Don't answer that, witness. That is not a fair question, in view of the answer he just gave.

By Mr. Boys:

Q. Now, witness?—A. If, as I said before—

Q. Don't be afraid?—A. I am not afraid of anything.

Q. Then answer it?—A. No, sir.

Q. Why?—A. Because the Chairman says it is not necessary that I should.

Q. I didn't hear.

The CHAIRMAN: I do not see very much reason why it should after the explanation this gentleman has already put. You are basing a question upon a speculative foundation. The witness is not here, and no likelihood of his being here.

Mr. BOYS: I don't know about that. As far as I am concerned I would be right here waiting for him four or five days. What I want to say is that a veterinary has gone into the box and he has pledged his oath that after a careful examination these horses were under 10 years of age. This witness has made the statement that this horse was 17 or 18 years. He now admits that if Mr. Bowlby stated the horse was 12 years of age he would accept his evidence. I asked him if he is prepared to admit that his judgment might be out five years. Surely I am entitled to a direct answer to that question.

Mr. CARVELL: You have no evidence Mr. Bowlby will say that.

Mr. BOYS: We have a bunch of telegrams that you are afraid to have us read.

Mr. CARVELL: You have no evidence that Mr. Bowlby will swear that.

The CHAIRMAN: I want to make this statement why I am not just satisfied about the form of the question. This committee has had every latitude in so far as a thousand things probably worse have been admitted in the evidence than would occur from the answer.

Mr. BOYS: I ask no indulgence. If I am not entitled to ask that question as a matter of right I won't ask it.

The CHAIRMAN: The question has been answered in a great measure in many other ways by this witness. It is very difficult to pin a man down. You could then go further and say: If you say "yes" to that, then you could take at ten years. Then you come down to five, then you come down to four, and one is about as logical as the other. I do not think any witness should be held up too strongly to opprobrium.

Mr. RHODES: This is a question that would be allowed in the Supreme Court any day of the year.

The CHAIRMAN: I don't know that it would myself. However, I do not pretend to be infallible.

By Mr. Boys:

Q. I will get at it in another way: Are you basing your evidence as to the age of that horse on your opinion solely, or have you certain facts that enable you to reach a conclusion with certainty?—A. Certain facts this far, that I have known the

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mare since she was foaled. I was going to say since she was foaled, but I mean since she was three or four months old.

Q. When was she three or four months old?—A. I say that since she was three or four months old I have seen—

Q. I am asking when was she three or four months old?—A. I told you a moment ago.

Q. On what other ground? That is not very much to base your opinion on, or evidence as to the age of that horse.—A. I don't know of anything better that I have to tell you. Mr. Bowlby has owned the mare since she was three or four months old. He is living right beside me, and I have seen the mare right straight along. I would say about every week since.

Q. Never mind the week.

Mr. CARVELL: Let him answer the question. This witness should be protected.

The CHAIRMAN: The witness is getting all the protection he needs.

By Mr. Boys:

Q. Can you give us any reason why you can state the age of this horse.

The CHAIRMAN: Can you answer that question?

The WITNESS: Well, one good reason is because I have seen her ever since she was I would say, five months old, from then on. Mr. Bowlby is a near neighbour of mine.

By Mr. Boys:

Q. How long since she was five months old, have you seen her?—A. How long?

Q. Yes.—A. I could not tell you the exact year.

Q. Have you seen her since she was five months old for ten years?—A. Yes, sir.

Q. Then tell me.—A. Tell you exactly how many years?

Q. How many years have you seen her since she was five months old?—A. I would suppose about 17.

Q. Suppose, and it is only supposition you have?—A. I do not say that. Is it supposition because a man—

Q. What do you base your opinion on?—A. Because I have seen her, the man lives beside me, and that man has owned her since she was four or five months old.

Q. Some years ago a certain colt was foaled, you say you have known her since she was four or five months old, and you make the assertion she is 17 years old?—A. Not that at all. I told you I have seen her every year and I think I am safe in saying that every week—perhaps not every week, but very very often he was at my place.

Q. If you went to the farm 17 years ago and the colt was foaled that year, one could understand that you would remember.—A. Yes, and I told you to day that I had raised a colt the same year that she was raised, and I believe that that other colt was 17 or 18 years old.

Q. Now let us get that down. You raised a colt the same year. You know that positively, do you?—A. I know there was a second colt the same year.

Q. The same year?—A. Yes.

Q. After you saw that one?—A. No, sir.

Q. Do you know where that one is?—A. No, sir.

Q. But you know if she is living she is 17 years old now?—A. If she is living.

Q. She would be at least 16?—A. I told you I believed she was 17.

Q. Surely. You are so chuck full of beliefs that I would like to get some facts out of you. Will you pledge your belief she would be 16 now?—A. She would be the same age as the Bowlby mare.

Q. She would be 16?—A. I believe she would.

Q. Is that as much as you will say?—A. Yes.

Q. You would not swear to it?—A. I am on my oath at present.

Q. Would you swear she would be 15 now?—A. I suppose I am answering it when I say so.

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Q. You have no faith in your judgment. If Bowlby came and said she was only 12 would you accept his opinion instead of your own?—A. Since he has had that mare right straight along his memory should be better than mine.

Q. So that is what you have to rest upon?—A. I would not say "rest upon".

Q. Not only would you accept his evidence, but if he were to come here and swear that she was 12 years of age you say you would believe him?—A. Might I ask you a question, you have been questioning me very severely. Have you a sworn affidavit from Mr. Bowlby to that effect?

Q. No, sir.—A. You cannot get it. If you can get a sworn affidavit from Mr. Bowlby and bring it here I will abide by what he says.

Q. What I would have thought was this: If you have any faith in your own recollection and judgment you would say, "even if Bowlby and five others came here and swore she was twelve years of age, they were mistaken and you were right."—A. I have reasons for my opinion if you would like me to give them.

By Hon. Mr. Reid:

Q. Were you at Berwick when these horses were purchased?—A. Yes, sir.

Mr. McKENZIE: Which horses do you mean?

Hon. Mr. REID: The horses at Berwick.

The WITNESS: You mean the day the horses were bought.

By Hon. Mr. Reid:

Q. You were there that day?—A. Yes.

Q. How many were offered for sale?—A. Oh I would suppose likely round a couple of hundred. Something like that. There were a lot of horses.

Q. One of the witnesses here, I think it was Mr. Chipman, said 60 or 70.—A. I think you will find one of the other witnesses says 200. It is hard to enumerate the number of horses, going and coming all the time as they were.

Q. How many were sold that day?—A. How many were sold?

Q. Yes.—A. At the time I was getting my pay I asked something to that effect.

Q. Well, how many were there?—A. I understood Mr. McKay to say that he had bought around 60.

Q. At Berwick that day?—A. Yes. I may have been mistaken, but that is what I understood him to say.

By Mr. McKenzie:

Q. That is up to the time you sold yours?—A. Well, mine was about the last.

By Hon. Mr. Reid:

Q. Did he tell you what he paid each party for the horses?—A. No, sir.

Q. Did you find out from any person what was paid for each horse?—A. For each horse?

Q. Yes.—A. No.

Q. You do not know?—A. No, not for each horse.

Q. Or for any horse?—A. Nothing further than what they told me, and what Mr. McKay, if that was the gentleman's name, told me when I wanted to figure the price for mine.

Q. What I want to find out from you is if in any way you ascertained that day what was the total amount paid for the number of horses bought?—A. No, sir.

Q. Do you know now?—A. Further than what I heard said here. I don't remember what he said.

Q. There was no evidence as to the amount paid for the horses.—A. Was there not? I don't remember.

Q. Do you know the different persons from whom the horses were purchased at Berwick?—A. Do I know them?

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Q. Yes.—A. Some of them, of course I don't know them all.

Q. Were there any good horses there at all?—A. I think so, quite a number.

Q. Have you any idea what proportion there were?—A. Good ones or bad ones?

Q. Yes.—A. I didn't judge them.

Q. I mean of the horses that were purchased by the Government.—A. Oh, the ones that were purchased by the Government?

Q. Yes.—A. What do you mean by good horses or poor ones? There is quite a difference.

Q. There was a certain number of horses purchased for the Government.—A. Yes, sir.

Q. Were there any horses purchased that day that you considered were suitable for the work they were being purchased for?—A. Certainly.

Q. You did?—A. I would suppose there were.

Q. Could you give us any idea what proportion there would be?—A. I don't think I could.

Q. You could not?—A. No. That is as far as the exact proportion—whether it would be a quarter or a half. I consider that the majority of horses that were sold there were of an inferior class.

Q. What do you mean by an inferior class?—A. I would call horses of an inferior class that were not worth we will say from \$150 to \$200.

Q. Well, take these horses of Hutchison's, is that the name?—A. I never saw them.

Mr. CARVELL: That is at another place.

By Hon. Mr. Reid:

Q. The evidence goes to show that there were between 30 and 40 horses purchased at Berwick. Do I understand you to say there were 60?—A. I think there were more, but I understood there were 60.

Q. Who told you?—A. I understood it from Mr. McKay. I asked him: "How many were there bought to-day?"

Q. And Mr. McKay told you?—A. He was busy writing and I said, "How many horses have you bought on the ground to-day?" I would not be certain, but he told me, if I understood him right, "60 or over." Maybe he meant all the horses he had bought up the line until he came there.

Q. Doctor Chipman swore this morning there were 30 or 40.—A. Yes, I heard his evidence.

Q. Some gentleman here states that 38 were all that were purchased at Berwick. Did you see the 38 or 40 horses that were purchased?—A. Not all of them, I don't suppose. I saw the men leading them out and down to the shed, where they were taken and put in. I did not count them but I saw them when they were passing.

Q. You did not know that they were sold?—A. Certainly, when they were there and the harness pulled off them, and the men started to put them into the shed, they certainly were sold.

Q. Did you yourself personally see 38 horses sold?—A. I did not count them. I simply sat there and saw them examined.

Q. About how many did you see?—A. About how many?

Q. Yes.—A. I would not be sure, sir, how many I saw. I got there when they were buying, and I sat there in my carriage until the last was bought.

Q. Did you see 30 purchased?—A. Did I see 30?

Q. Yes, that you knew were purchased by the Government?—A. I would not swear I did.

Q. Will you swear you saw 20?—A. Yes, I would be prepared to swear I saw more than 20 led out, but I did not count them.

Q. I don't mean led out. Out of these 38 horses that you saw personally, how many were sold to the Government?—A. I can tell you what I heard them say here.

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Q. Never mind what you heard here. I think my question to you is a fair one?—A. I could not swear the horse was sold unless I heard the bargain and saw them getting the money, could I?

Q. You said a few minutes ago you saw 60 that were sold?—A. I think you are mistaken.

Q. Perhaps I am. I understood you to say a few minutes ago that the horses purchased by the Government at Berwick were poor?—A. I consider them an inferior class.

Q. An inferior class?—A. Yes.

Q. How many then did you see that you really knew were sold to the Government?—A. That I really knew were sold?

Q. Yes?—A. Well, how would I know any that were sold but my own two?

Q. How did you know that they were of an inferior quality if you did not know they were sold?—A. I will tell you how I would know, or how any man would suppose they were sold. I saw the veterinary go up and walk around them and put tickets on their heads. I saw the harness stripped off their heads and they were led out by four men there for that purpose, who started off with them for the shed. Then I saw the men who formerly owned them going home carrying their harness, and they would say to me "I sold my horse."

Q. That is all right?—A. So I believe they were sold.

Q. How many did you see doing that?—A. How many?

Q. Yes?—A. While I was there?

Q. Yes?—A. I would imagine somewhere between 25 and 40.

Q. Between 25 and 40?—A. I believe so.

Q. How many would you say were inferior of that number which you say is between 25 and 40?—A. The majority.

Q. What would you say was the value of those twenty-five or forty—about the average value?—A. It depends on what you want them for.

Q. They were wanted for military purposes.—A. I could not put a valuation on a horse unless I knew what it was wanted for.

Q. Did you not know that day what the horses were wanted for?—A. I knew what they were buying them for; I did not know what they were worth to the Government; I did not know whether they were worth \$200 or \$300 to them.

Q. Did you consider any of them worth \$150 to \$200 as a riding horse?—A. I do not know anything about riding horses.

Q. Or artillery horses?—A. I do not know anything about military horses or military business.

Q. Why do you say they were an inferior lot?—A. I will tell you why; because I handle a great many horses, and I know something of their valuation for agricultural purposes and other purposes, and I would consider them an inferior lot for that.

Q. Did you see the men who sold those horses that day; you say you saw them dealing?—A. The majority of them.

Q. Did you know any of them?—A. A great many of them.

Q. Give us the names of the men who sold them; give us a list of those thirty-five or forty?—A. You asked me a little while ago how many I supposed I saw going out; I do not know that I can enumerate twenty-five or thirty.

Q. Give us the names of all you can, who sold horses. How many did you sell?—A. Two.

Q. Who else?—A. S. B. Chute sold two, or at least he said he did.

Q. All right, go on.—A. Archie Beckwith sold one.

Q. Yes.—A. Joseph Loomer one. James McGarvey one; Reuben Morse one; Henry Chute.

Q. How many?—A. One.

Mr. BOYS: Don't forget Harvey.

WITNESS: His was as good as the majority.

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By the Chairman:

Q. You say that his was as good as the majority?—A. Yes.

Hon. Mr. REID; You can refresh your memory between now and eight o'clock

Witness retired.

Committee adjourned

EVENING SITTING.

HOUSE OF COMMONS,

COMMITTEE ROOM 211,

MONDAY, April 12, 1915.

The committee resumed at 8 o'clock p.m., Mr. Morphy presiding.

Mr. SPURGEON SELFRIDGE recalled.

By Hon. Mr. Reid:

Q. At six o'clock I was asking you for the names of some of those who sold horses at Berwick and you gave me the names of some. Can you give me the names of some others now after having a couple of hours to think it over?—A. I do not remember just what names I gave you.

Q. There was S. Selfridge, S. B. Chute, two; A. Beckwith, one horse; Joseph Loomer, one; James McGarvey, one; Reuben Morse, one; Henry Chute, one, and A. Harvey, one. What other names have you?—A. Kinsman, one; Thomas Crocker, one; Morton Thomas—I do not know how many.

Q. That is as far as your memory goes?—A. It is like this. There was a bunch of horses at his stable just across the way and after the men were done buying, after six o'clock, I would say, he went down to his stable alongside the stable where I was getting a neighbour's horse to drive home with. It was just across the way and he was leading out a bunch of them, I do not know how many, some say he sold one and some say he sold six or seven, I do not know.

Q. But he sold some?—A. Some.

Q. All right, who else?—A. I do not know that I can tell you any more, particularly as to the horses of the men that are living—Berwick is six miles or seven miles east of my place, and unless the horses came from between my place and Berwick I would not know them, and could not speak of them so well.

Q. Was there a man named Thomas?—A. Yes, that is the man I was talking about his horses.

Q. Was there a man named Meister?—A. Meister's horses came to Kingston, I think, a bunch of them.

Q. Was there a man named Blyth?—A. He would be at Berwick, I do not know about his horses so well; he lives right in Berwick.

Q. What do you say about Blyth's horses?—A. I do not say that I would know them from the rest.

Q. Was there a man named Nichols there?—A. I do not know whether there was or not.

Q. You do not remember much about that?—A. There are a lot of Nichols around there.

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Q. Did Blyth sell some horses there?—A. It is reported he did, I do not know.

Q. Now the two horses that you sold, what did you get for them?—A. \$375.

Q. If I remember your evidence rightly you said you did not get what you really thought was full value for them?—A. Not for farm purposes.

Q. Do you know what Mr. S. B. Chute got for his horses?—A. No.

Q. You did not hear?—A. Did I hear?

Q. Yes?—A. I heard several stories.

Q. What did you hear?—A. I heard that he got \$190, and I heard that he got \$200 apiece.

Q. What would you say about those two horses of his?—A. I only just saw them going in and out and, as I told you before, he had good horses, he does not deal in anything else.

Q. Do you suppose they were worth \$190?—A. Knowing his horses as I do I would not suppose he had anything else.

Q. Would you say they were really worth \$200?—A. I suppose, as I said before, knowing his horses, that he has horses of that description, but I cannot describe his horses.

Q. But in your opinion, you saw them there, would you say they were worth that amount?—A. I just saw him leading them in and out.

Q. You said a moment ago that you considered they were worth \$190 or \$200 or would you say they worth \$180?—A. I say that, knowing his horses as I do, I do not suppose he would have anything less.

Q. Would you say that they were worth \$400 or \$380, which would you say?—A. I would say \$380, that would be \$190 each.

Q. As compared with yours, you said yours were worth \$375, you feel safe in saying they were worth that?—A. I would suppose they were, I do not know much about his horses.

Q. But from what you saw of his horses?—A. I would imagine they were.

Q. What about Beckwith Swan, there was one horse he sold.—A. How was he?

Q. What would you say that horse was worth?—A. I wouldn't consider it worth anything.

Q. Why?—A. Because he looked so old, he looked poor and I wouldn't consider him worth anything.

Q. Do you know anything about the horse?—A. I do not, any further than seeing him standing there.

Q. What would you say about his age?—A. I would consider from his appearance that he was very old, he was a brown horse with a very grey head and was a very poor looking old horse.

Q. You have seen a great many grey headed men, but they would not be old?—A. That doesn't apply to horses.

Q. They have to be grey headed to be old?—A. No, there are really few horses that are grey headed and not grey on the rest of them, if he is grey headed he is old.

Q. You say that you do not consider him worth anything?—A. Not to me.

Q. Is he worth anything to any person?—A. Judging from his appearance I would not consider him worth anything.

Q. What does he look like, that he is not worth anything?—A. I will tell you, he was a horse that looked to me as if he had been a horse one day that weighed 1,100 or better, and that day, from his appearance, he would not weight more than 900 or 950, he was very poor, flatfooted, gone at the knees, and as bad looking a horse as I have seen.

Q. Did you ever see the horse before that day?—A. Not to know him.

Q. You never saw him before?—A. Not to know him.

Q. Who is this Mr. Beckwith?—A. He owns horses, on the First of Berwick, and I think he is travelling on the road now for a cream separator; he is a commercial traveller to-day.

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Q. You never saw the horse before that day?—A. Not to know him, I would not say I ever saw him before.

Q. Would know him again?—A. I think I would.

Q. Now then, will you give us your opinion of the horse that Mr. Loomer sold?—A. Joseph Loomer?

Q. Yes.—A. Well, he was a little sorrel horse, I have seen him around there for quite a long time, but I know nothing about him.

Q. Will you give us an idea of what you consider his value for using him around there?—A. I suppose he would be a horse for just using him around the neighbourhood that might be worth \$125. I never looked in his mouth.

Q. As compared with your horses, would you say he was worth \$125?—A. Yes.

Q. Now, Mr. McGarvey's horse, what would you say he was worth?—A. What would I consider him worth? I told you the other day, speaking about Mr. McGarvey's horse, I would not put a value on him. I said that I really did not want him, he asked me to give him \$125, and I said, "No, I have no place for him." I was suspicious of him, he had been a very nice little horse.

Q. What condition was he in?—A. He was not a poor horse, but not a fleshy horse at all.

Q. Would you say to the committee what you consider his value was? Not of course for your use, but as a horse for selling, as compared with your own?—A. Well, I tell you, about McGarvey's horse I do not know hardly how to check him, as I said before, I was suspicious that he was not sound, I thought he had a spavin all right; otherwise I have known him for years to be a grand little horse.

Q. The way horses were going in that part of the country what would you consider him worth, \$175?—A. No, I would not, perhaps a hundred.

Q. Now then, what about Mr. Reuben Morse's horse?—A. Yes, I know him.

Q. What would you think his horse is worth?—A. He was a little bay horse, I know him very well, I have seen him raced lots of times.

Q. All I want to know is what do you consider him worth?—A. He was a horse sprung in the knees, he was a horse 10 years old, a horse called Lincoln.

Q. Oh that is Lincoln, is it?—A. Yes, that is Lincoln.

Q. That was sold at \$150?—A. Oh no.

Mr. CARVELL: \$110.

Q. Well, no matter what his name was, what would you consider he was worth, the way horses were selling that day, compared with your horses?—A. Well, Lincoln, this is Lincoln, the horse that Mr. Morse has, was a little bay racehorse, he was sprung in the knees, and was 10 years old, I do not think he had any other blemishes, I have seen him race several times.

By Mr. Carvell:

Q. Did you ever see him fall down?—A. I did.

By Hon. Mr. Reid:

Q. What would you consider his value; I am only asking you as to his value?—

A. I would not know hardly how to put a valuation on that horse, he was not a worker.

Q. He was a driving horse?—A. And he was worth what any old racehorse is.

Q. As I understand from you, he may have been a racer but of course a horse that has been raised 10 years may not be suitable for racing purposes afterwards, but for driving about as a workhorse, he may be just as valuable as he ever was?—A. He was not fit for a workhorse at all, he was too small, and too lanky. I never drove him, but he was not considered a good driving horse.

Q. He may have been a good saddle horse?—A. He might have been, if a horse sprung in the knees badly was a good saddle horse.

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Q. But he might be fit for that?—A. Yes.

Q. So that if they wanted a good saddle horse and if this horse was sound and wasn't sprung how much would you consider his value?—A. Perhaps \$80 or \$90.

By Mr. Rhodes:

Q. Was he sprung in the knees when he was racing?—A. He was sprung in the knees when I first saw him, but not so badly as he was later on.

By Mr. Michaud:

Q. Is he a ringer?—A. I would not know what you would mean by that type. He would be an old ringer, we would call him.

By Hon. Mr. Reid:

Q. We have Chute's horse?—A. H. J. Chute.

Q. What about his horse?—A. She was a nice looking little chestnut or sorrel mare. I have known her for several years.

Q. What about Mr. Chute's horse?—A. Mr. Chute's mare had been a nice little mare, and I do not know of anything particularly wrong with her. She was older than she was once, I suppose.

Q. We have all that information, but I would like to get your opinion as a horse-man?—A. I would suppose likely Chute's mare. I think she had been sold once or twice right there around me for about \$130 or \$135.

Q. You put that as about her value?—A. I would suppose so.

Q. We have this one of Mr. Harvey's. What value do you place on that horse?—A. What value did I place on it?

Q. How much was the value of that horse? Is that Lincoln?—A. No, that is not Lincoln. This is the horse that Harvey really sold.

Q. What would you consider that?—A. Do you want a description of him?

Q. No.—A. The Harvey horse was a bay horse about ten years, with one white hind foot. We always called him the border horse, rather a decent looking horse, pretty badly sprung in one knee.

Q. What value was he?

By Mr. McKenzie:

Q. Are you speaking now of the horse that Dr. Chipman called Lincoln?—A. The one the doctor called Lincoln?—yes.

Q. But which was not Lincoln?—A. No. He was a horse seven years old. I do not know, to me to he would not be worth perhaps \$140 or \$145, something like that.

By Hon. Mr. Reid:

Q. Now, the S. Kinsman horse?—A. I knew nothing about that mare, only to see her.

Q. Was she a good looking horse?—A. Quite a tidy little mare.

Q. Can you give me any idea as to what she would be worth?—A. As good a one likely as in the bunch to look at. I do not know her age.

Q. Would she be worth \$190?—A. I would not think so, she was too small.

Q. About what?—A. Not as good a horse as Chute's or mine was, a nice little mare, worth about \$160.

Q. Then there was this Thomas Crocker horse?—A. Yes.

Q. He had one horse?—A. Yes.

Q. What would you say about him?—A. She was a nice little mare, I have always known her. Ingraham Bowlby raised her the same year he raised the mare he sold.

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Q. What would she be worth?—A. I offered him \$125 for her for driver, and he wanted \$150, and we did not get together.

Q. In your opinion?—A. Perhaps if a man wanted a driver, she was a very nice driver; she switched a little, perhaps she would be worth \$140.

By the Chairman:

Q. He asked \$150?—A. He asked \$150.

By Hon. Mr. Reid:

Q. That is twelve horses. Mr. Thomas's horse, of course, you did not know how many he had?—A. No.

Q. How do the rest of the horses—that is twelve—there were about 38—.

Mr. CARVELL: And Thomas's.

Hon. Mr. REID: I have 12 here that he valued. Mr. Thomas's horses, Mr. Selfridge is not able to tell me about, because he does not know whether it was one or six.

The WITNESS: I know that there was a brother of another race horse that he put in, well, a brother or half-brother—only a half-brother to Lincoln.

Q. You take these six horses, and you add the six?—A. That Thomas had.

Q. That came out?—A. I would not say six, I do not know how many.

Q. Were they pretty fair horses? You would not want to say much about them?—A. I only know what a man with me said.

Q. How about the rest of the horses? There are a dozen of them here, how does this dozen compare with the remaining 25 or 26?—A. I would suppose they would be about a sample of the lot.

Q. They would be about a fair average?—A. I would suppose so.

Q. And the other 26 would average—A. I would suppose so from their appearance.

By Mr. Carvell:

Q. How would they average with those?—A. There are some good and some poor.

Hon. Mr. REID: Mr. Selfridge has given me the names of 11 horses, and he has placed what he thought was a fair value upon 11. I asked him the question, what he considered the 27 others would average, so far as the quality and prices go—some such a price, and some as low, and some as high, as his.

The WITNESS: I would say I suppose something on that line, as far as I know.

By Mr. Tobin:

Q. Some are no value at all?—A. The Beckworth horse was the worst one.

By Hon. Mr. Reid:

Q. As I have it,—I will read it over and just see if this is right: S. Selfridge, 2 horses, you got \$375, and you considered that they were worth that, in fact that they were worth a little more; S. B. Chute, 2, \$380; J. Loomer, one, \$105; Thomas Crocker, one, \$100; R. Morse, one, \$90; H. Chute, one, \$135; A. Harvey, one, \$140 to \$145; S. Kinsman, one, \$150 to \$160; Thomas Crocker, one, \$140; there is the one that I have not included, that you consider not worth anything; that is 11 you have stated what you consider they were worth in your opinion. I think those were right as I called them off. These 11 horses in your opinion were worth \$1,650, I have added the figures up, or an average of exactly \$150 per head. And you think in your opinion, those horses were worth at least an average, taking these 11, from the prices you have given me, of \$150 per head?—A. I understand what you mean about that. But how would you work in horses that were the worst?

Q. The horses that Mr. Foster's men purchased throughout the whole district averaged \$170 according to the evidence, I think, of Mr. Foster and some others.

Mr. CARVELL: That is what the cheques show.

Hon. Mr. REID: I think Mr. Foster himself gave that evidence. We are averaging them all up. The very fact of your's having been about \$375 shows that more than \$170 were paid, so we have to average them all up.

Mr. S. SELFIDGE.

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The WITNESS: I understand that.

By Hon. Mr. Reid:

Q. Am I right that, in your opinion, the 11 horses that you mentioned were worth \$150 per head, taking it for granted that \$1,650 is the addition for these 11 horses?—A. So far as my judgment would be worth, what little I seen of them, that would be my judgment.

Q. You would not swear that they were not worth more than that?—A. Surely theirs would not make them worth more than that to me?

Q. Your own horses were worth more than \$375?—A. I considered them good value at \$375 for farm horses.

Q. You considered the others were good value by the prices you mentioned, too? A. I would consider, yes.

Q. Am I right in taking it for granted that so far as your judgment is concerned, these 11 horses, figuring at \$1,650, were worth \$150 each, on an average, taking these as compared to yours?—A. Yes, if a man's judgment is worth anything with what he seen.

By the Chairman:

Q. You called them an inferior lot, in your judgment, \$150 is an inferior lot. That is what you said to-day?—A. Yes, did I not say that I considered them, the majority of them, an inferior lot? I think if you look at my evidence you will find I said that.

By Mr. Carvell:

Q. Now, take the 12 horses, that will bring the average down to \$137.50?—A. I asked him——

Hon. Mr. REID: I think it is fair I should finish this?

Mr. CARVELL: You might treat the witness fairly. He has described 12 horses, and you are only taking 11.

The WITNESS: You have misconstrued what I said if you have not put the Beckwith horse in.

By Hon. Mr. Reid:

Q. Take 11 horses, and I have read them over, that you gave me the value, in your opinion of \$1,650, and I stated if the 11 horses—never mind the other one just yet, I will come to that—average \$150, that you consider those horses that amount, the eleven?—A. The eleven.

Q. Yes, I will come to the other one again?—A. All right, take it that way.

Q. And you consider them worth \$150?—A. That 11.

Q. Now, then, there were 27 others, 38 were all that were purchased. There was one horse you did not consider worth anything?—A. From his appearance.

Q. There were 26 left then. What about the other 26, how did they compare with the 11?—A. As I told you, there was the bunch; no doubt the bunch that Thomas had would be in that lot.

Q. As I understand you a few minutes ago, you said that the other 26—never mind the one?—A. I am not talking of the one.

Q. But the other 26 would be comparable with this 11?—A. As I said, the bunch that Thomas had, that I supposed was in the 26 you speak of.

Q. Certainly?—A. I did not see those at all, only one or two, as he was leading them up there, and then the others as they passed along. There were some that I would suppose from their appearance would be between the worthless one and the others, you understand, some better, some worse.

Q. Well, there was one of the eleven that was worthless?—A. I think not.

Q. One of the twelve, I mean?—A. Yes.

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Q. How many in the other twenty-six would you consider were worthless?—A. I did not see any of them that looked so bad as him.

Q. Did you consider any of the other twenty-six to be worthless?—A. Utterly worthless? I did not see any other horse I did not think was worth selling.

Q. How much would you think they were worth?—A. I did not look at them to put a valuation on them.

Q. You said you saw the whole lot of them and they were an inferior lot?—A. I think if you look at my evidence you will find I said the majority of the horses sold there were an inferior lot.

Q. The majority?—A. Yes. I think that is what I said. If you will look it up you will see.

Q. At all events you saw the 38, and you say the majority of them were an inferior lot?—A. I did not say I saw the 38.

Q. You say you did not say that?—A. I sat there and saw the horses go past. I would not swear and I would not want you to say I swore that I saw all these 38. Some of them may have got past me, they were selling when I got there.

Q. I do not want to credit you with that statement if you did not say it. I understood you to say so?—A. No, I didn't.

Q. Then do I understand you to say that the 11 horses were a fair sample of what you saw?—A. The 11?

Q. Yes, the 11?—A. I would rather you put it 12.

Q. Then we will say the 12. They were a fair sample of what you saw?—A. Yes, the 12 would average about with the bunch, with the lot. I suppose they are what I saw.

Q. And you say the 11 of them would average \$150?—A. If those are the figures I gave out.

Q. The values you have put on them were the values you consider people around that locality would pay for those horses if they wanted them?—A. I suppose so, yes.

Q. Did the price of horses go up at all on account of there being such a demand for them?—A. Did the price of horses go up?

Q. I mean when there were so many horses being sold?—A. It made a demand for a lot more horses, certainly.

Q. And therefore would make the price higher?—A. I would think so, a little stiffer. I did not handle any more horses myself last fall, after that.

Q. Therefore, if the parties purchasing these horses paid a little more than the prices you mentioned, on account of requiring them for military purposes, would you say they were not getting them at a fair value?—A. I don't know how it would affect others buying them that way, but with me I sold my horses for less than I would have sold them for to anybody else, because I was getting the cash.

Q. And in the case of these other horses, even if a little more was paid, the Government was getting good value, because the horses were worth more?—A. They were getting good value, you say?

Q. Yes. If the other horses were sold for military purposes, because you said your horses were worth more money?—A. For farm purposes. I was asking more on that account.

Q. If these parties asked a little more for horses required for military purposes, would you say they were not being got at a fair value?—A. Well, I sold mine for less, as I said, on account of getting cash for them then, and I think the horses were sold in a great many cases because the owners got cash for them.

Q. Well, to put it another way: you sold your horses for less than they were really worth on account of getting cash?—A. I do not know about other people's horses. My opinion about the value of an article is that it is worth what I can get for it.

Q. You considered your own horses were worth more?—A. For farm purposes.

Q. Than the others. You gave me the value as compared with your own?—A. Yes.

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A. And therefore I take it for granted, according to the evidence you have given, they were worth more for farm purposes.—A. They were worth more than they got for them, do you mean?

Q. Worth more than these values you have fixed.—A. Speaking about those horses, there were several of them that would not be worth anything for farm purposes because they were not in that class at all, they were drivers.

By the Chairman:

Q. Supposing you were paid \$25 for each horse more than you got, would you say that too much was paid for them?—A. I don't know. I would not know whether they paid too much for them.

Q. If you had received a higher price than you sold your horses for, do you think there would have been any complaint about it?—A. I don't think there would have been. They were nice young horses.

By Mr. Carvell:

Q. Now, in reference to Hon. Mr. Reid's calculation, in which he took \$1,650 and divided it by eleven. I want you to take that amount and divide it by twelve.—A. That is what I told him I would rather do.

Hon. Mr. REID: That is not a fair way of putting it. The witness said Beckwith was one horse that was not worth anything to him.

The WITNESS: Did I not say I would not consider him worth anything to me?

Hon. Mr. REID: No, you said you would not consider him worth anything to anybody.

The WITNESS: All right (after making calculation). My answer to Mr. Carvell is that the result of the division would be \$138.

By Mr. Carvell:

Q. \$137.50 exactly?—A. Yes, \$137.50.

Q. Did you see any horse sold there that day as valuable as yours and Chute's?—A. No.

Q. You didn't?—A. No.

Q. In this calculation of 12 horses you have taken the four highest prices?—A. The four highest priced horses I saw, and I heard people talking that way.

Q. You saw a couple of horses being led out of Thomas's place. Did they have tags on them?—A. Not then.

Q. Where were they going?—A. Just leading them out of the barn showing them to the men that were buying at that time.

Q. How many did you see?—A. I think only two. I was paying but little attention to them.

Q. What about these two?—A. I was not close enough to those two horses to pay any attention to them. I was very busy getting my arrangements made.

By Hon. Mr. Reid:

Q. Whose horses were those?—A. Morton Thomas's horses. There was a man helping him, in fact there were two. One stayed with him and the other stepped across and looked at them.

By Mr. Carvell:

Q. I am not asking you what they did. Did they tell you their opinion of the horses?—A. This man that went across to Rupert Patterson's?

Q. He told you his opinion of the horses?—A. Yes.

Q. How long were you round there that afternoon?—A. Well, I left home, I got dinner as early as could and I got away—I don't know exactly what time, but I drove six miles to get there and I imagine when I got there it would be half past one or two o'clock.

Q. And you were there all the afternoon?—A. Yes.

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By Mr. Rhodes:

Q. What time did you leave?—A. It must have been six o'clock because they had stopped buying. I think my two horses were the last two they bought if I remember right.

By Mr. Carvell:

Q. How long have you been buying horses?—A. Since I was 20 years old.

Q. How many horses would you handle in a year?—A. How many would I handle?

Q. On an average?—A. Oh let me see. I should say anywhere from 50 to 100.

Q. How long have you been doing that?—A. 20 years, not so many. For the last 7 or 8 years I have been handling them by the carload.

Q. Where do you buy?—A. I usually have bought through New Brunswick, through Carleton County, until this Spring, I have been buying in Antigonish and Pictou Counties.

Q. Through Nova Scotia?—A. Yes.

Hon. Mr. REID: You knew Selfridge then before?

Mr. CARVELL: I did, and I know nothing but the very best of him.

By Mr. Carvell:

Q. With your long experience in handling horses, while you sat and watched these horses being purchased, you could form a pretty correct opinion of them on the average.—A. I could satisfy myself—my own opinion. I never asked anybody else to judge for me.

Q. Have you told us about a horse that was the same age as the Bowlby mare?—A. Ingraham Bowlby?

Q. That was the "Switcher". Do you know anything about how old that mare was?—A. Ingraham Bowlby raised that one. He had the mare that foaled that one. He took the mare he sold from another man when it was about four or five months old. He kept them together, if I remember right, until they are three years old.

Q. If the Bowlby mare was 17 years old this one would be the same age?—A. They are the same age, whatever they are.

Q. Did you ever own the Switcher?—A. No, sir.

Q. Did you ever own any of the horses that have been mentioned here?—A. That have been mentioned?

Q. That you have mentioned this evening.

Hon. Mr. REID: Did you ever own Beckwith?

The WITNESS: I hope not.

By Mr. Carvell:

Q. Did you ever own any of these horses?—A. I don't remember that I did.

Q. Do you know anything about any horses sold at Kingston?—A. Do I know anything about them?

Q. Yes.—A. Why, yes.

Q. How many do you know anything about?—A. I could not just tell you, my next neighbour who lives just right across, 40 rods from me—

Q. Were you at Kingston?—A. No.

Q. Do you know anything about a horse called the Doctor Bell horse?—A. Do I know anything about it.

Q. Yes.—A. I have known him a good many years.

Q. Is the horse reported to have been sold at Kingston?

Hon. Mr. REID: Does he know it was sold?

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Mr. CARVELL: We will prove it by another witness, John Weldon. Weldon lives in Ottawa and his phone number is Queen 3338.

The WITNESS: He is in the Pension Office.

Mr. CARVELL: Will the Clerk please telephone for that witness to Queen 3338.

The WITNESS: I could give you his address.

By Mr. Carvell:

Q. What is his address?—A. 227 Gloucester Street.

Q. Who is this young man?—A. He is one of the neighbour boys who come up here seven years ago.

Q. How long have you known the Dr. Bell horse?—A. Well, I have known him ever since he came from Halifax; I would not like to swear how many years that has been.

Q. According to your best judgment.—A. It has been a good many years; I have no record to go by that I could swear just exactly how long it was.

Q. Give us your best judgment.—A. I would suppose somewhere from ten to fifteen years—something like that.

Q. That you have known that horse?—A. Yes.

Q. He came there from Halifax?—A. Yes.

Q. Was he a grown horse then?—A. Yes, a nice one too.

Q. Who owned him?—A. J. W. Weldon.

Q. Is J. W. Weldon the father of the young man whose name you have just given us?—A. Yes.

Q. Were there any scrub horses left when they got through?—A. Not as many as what they got.

By Mr. Boys:

Q. Do I understand you to say that of the 38 horses sold at Berwick you knew 12 you have referred to better than the others?—A. At Berwick?

Q. Yes.—A. I certainly did.

Q. In other words, you have spoken of the horses sold at Berwick that you know of?—A. That I know of.

Q. Yes.—A. That I knew them better than I did the others?

Q. There were 38 horses at Berwick, and you have been asked and you have to some extent described 12. I want to know whether you could describe any of the others.—A. Could I describe any of the others?

Q. Yes.—A. Of the horses at Berwick?

Q. Yes.—A. I do not know that I could.

Q. So far as the remaining 26 are concerned you do not know whether on the average they would be worth more or less than the average placed on the 12 spoken of? If you do not know them as well, it is self-evident that you could not say whether they were more or less.—A. I cannot put value on horses that I only saw passing in and out.

By Hon. Mr. Reid:

Q. And some you say you did not see at all?—A. Sure.

By Mr. Boys:

Q. You do not know whether the remaining 26 were better than the average of the 12 you have described?—A. I cannot say.

Q. Take a horse placed at, say, \$150, or around that sum; one man may want to sell and another want to buy; both are honest; what variation in value would reasonably be found between the prices quoted by these two men?—A. I did not catch that.

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Q. A man has a horse to sell, and another wants to buy; the horse is not a very valuable one, worth say \$150, but somebody wants to buy him. What difference would you expect to find between the price asked by the man who wants to sell and the price offered by the man willing to buy?—A. That is quite a high latitude. I have had men come into my barn and price the horse I valued highest at the lowest price.

Q. There is a very great difference of opinion as to the value of a horse placed by different men?—A. Yes.

Q. Is it unfair to say that you might expect to find a difference of from twenty-five to thirty-five dollars in the value of a horse worth in the neighbourhood of \$150?—A. I think in that case the difference would depend on whether the man was a judge of horses or not, or upon whether he wanted a horse or did not want it.

Q. Suppose they were both judges; would you not expect to find that difference in the price of lots of horses?—A. I do not think I just understand that.

Q. Would you not expect to find a difference of, say, from twenty-five to thirty-five dollars in the value placed upon a horse of the kind we have been described?—A. In the value of the horse?

Q. Placed by two different men?—A. One man might say he was worth a hundred dollars, and the other might say he was worth two hundred dollars.

Q. That discrepancy seems to be too great; you would hardly find that difference.—A. If two men, both judges of horses, and both wanted him for the same purpose, I never find when I go to men who are judges of horses to buy and sell a horse. I never find any great discrepancy.

Q. You have spoken of a horse that you thought of buying; I have forgotten the man's name, but he asked \$150 I think you said? What was his name?—A. James McCarvey.

Q. Is James McCarvey a reliable man?—A. I told you before that I would rather you would not ask me about people.

Q. Don't be so terribly afraid; we are not thinking of maligning anybody.—A. I have been accused here of maligning my neighbours.

Q. Is he a man who knows the value of a horse?—A. I do not think so.

Q. Not as well as you?—A. No, sir.

Q. At all events, in good faith, he asked \$150, for that horse?—A. I don't think he was in very good faith when he urged me before I left to offer him \$125.

Q. Did he ask the \$150 in good faith?—A. I think he was more joking than anything else, when after asking \$150 he urged me to offer \$125.

Q. He came down in his price?—A. He did.

Q. To what?—A. To \$125 after first asking for \$150.

Q. I thought you said you yourself wanted him at \$125.—A. I did not.

Q. What do you say you offered?—A. I did not offer him anything; I said I had no place for him. Dr. Reid asked me what I considered him worth if I had wanted him, and I said I suppose \$100.

By Hon. Mr. Reid:

Q. Did you ask \$400 in good faith when you asked that sum for the team for which you got \$375?—A. I would like to know what you mean by "good faith."

Q. Mr. Boys asked you the question if you thought that Mr. McCarvey asked \$150 in good faith, and you said you did not think so.—A. I said I thought he must have been joking, because he came down very quickly.

By Mr. Rhodes:

Q. Ask him if he was joking when he asked \$400.—A. I had been holding my horses during the summer, as I hoped for \$425 or \$400. I was asking for them along there, and I thought they were worth \$400.

Q. And you took \$375?—A. Yes.

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Q. You said you thought that Mr. McCarvey was joking when he asked \$150, and dropped to \$125.—A. Yes.

Q. Then you were only joking when you asked \$400 and dropped to \$375?—A. I was not.

Q. When you dropped from \$400 to \$375, that was a drop of \$25, and yet you say you were not joking though you do say that Mr. McCarvey was joking when he dropped \$25 on his horse.—A. After I had dropped \$25 I did not go on and urge him to make me an offer as regarded it.

Q. As I understand you, you told Mr. McCarvey you did not want the horse at all?—A. After he came down to \$125, I said I had no place for him.

By Mr. Boys:

Q. As a matter of fact, we know there are endless cases where a man in good faith will ask \$175 for a horse, believing it is worth that, and where somebody else he is negotiating with would not give \$140. In other words, there might be a \$35 of difference.—A. Men's opinions differ. If two men are good judges of horses and they both want a horse for the same purpose,—for instance I deal with a man in New Glasgow who handles the same class of horses that I do. He and I do not differ more than five or ten dollars. I bought a carload from him about a week ago, and we did not have that difference of opinion.

By Mr. Davidson:

Q. You told us about the standing of S. P. Chute, Mr. Bowlby, and some other people; will you tell us how Mr. A. B. Harvey stands in the community?—A. A. B. Harvey is here to answer for himself.

Q. What do you say about his standing as a reliable and honest man; has he that sort of reputation?—A. He has a good enough reputation that I do business with him.

Q. I am not asking you whether you do business with him.—A. All I can tell you is my opinion of Mr. Harvey's standing, and I can tell you my experience. I have done business with Mr. Harvey for I think three years. In the last two years, especially last year, I did a business with him to the amount, well I would say from \$1,500 to \$2,000. I never asked Mr. Harvey for one cent of money that I ever gave him. When I wanted my money I simply got it. I never asked him when he bought—I sold several horses this spring to him—I never asked him for a scratch of the pen until I wanted it. I went to the bank and simply asked; I said I would like to make a draft on Mr. Harvey, and the banker never asked me, he never asked for more than fifteen days' time. If you want to know references of Mr. Harvey, I can tell you. I sold him horses this winter for \$295. I went to the bank and asked the banker—

By Mr. Boys:

Q. That is all hearsay.—A. You asked me for his reputation, and I will give it. Mr. CARVELL: You will give it, too.

WITNESS: I will give it to you as I know it.

By Mr. Davidson:

Q. Do you think Mr. Harvey is an honest and reliable man?—A. I do.

Q. Do you think an honest and reliable man would sell a worthless horse thirty years of age and spavined, to the Government for military purposes; do you think that is an honest and honourable thing to do?—A. I think that if that is dishonest, there has been a lot of it done in King's County in the last year.

Q. Will you answer my question?—A. Yes, and will you allow me to finish what I started out to say about Mr. Harvey?

Mr. CARVELL: Go on.

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By Mr. Davidson:

Q. I want you to answer my question first, and then if you have any explanation or sermonizing to give or speeches to deliver I will be perfectly willing to listen to them.

The CHAIRMAN: I think that is only fair. The witness has clearly and positively attempted to evade the question by going into details which were not required to answer the question.

An Hon. MEMBER: The question was unfair.

The CHAIRMAN: The question was not objected to.

By Mr. Davidson:

Q. Do you think it is an honest, and honourable thing for a man to sell to the Government for military purposes horses such as Mr. Harvey described as having sold; I want to get it from you?—A. You want to get it from me? I cannot answer yes or no, if you will allow me I will answer it in my own way.

Q. Will you say that you think that Harvey is an honest and praiseworthy man in view of the evidence that he has given in this Committee?—A. Yes, a man I would as quickly trust with my money as any man from Nova Scotia in this room.

By Hon. Mr. Reid:

Q. Did you hear Harvey's evidence the other day?—A. I did.

Q. Did you hear it all?—A. I did.

Q. Do you consider, in the light of that evidence, that he is an upright, honourable man?—A. He did not lower himself in my estimation by the evidence he gave.

By Mr. Davidson:

Q. Mr. Selfridge, you passed several notes over to Mr. Carvell while you were being examined by Mr. Boys, did you?—A. I passed him two pieces of paper, there they are, you can see them.

Mr. CARVELL: There they are, you can take them.

Q. You intended by these notes to suggest to Mr. Carvell that he should ask you certain questions?—A. Did I?

Q. These notes you handed to Mr. Carvell you intended to suggest to him that he should ask you certain questions?—A. Yes.

Q. You are a willing and an anxious witness, are you?—A. No. I simply have been brought up here, and you determined to drag out of me what I know, and you will get all you want.

Q. Will you tell the committee with whom you were dining on the evening after giving evidence in this committee?—A. Who I dined with on the evening after giving my evidence here.

Q. Yes?—A. If I remember right that was the evening that I dined in the restaurant.

Q. Yes.—A. That would be Mr. Carvell.

Q. Who else dined with you?—A. Mr. Harvey, and I have forgotten the others.

Q. Mr. Kyte?—A. Mr. Kyte.

Q. That is a pretty good indication that Mr. Harvey had not lost your estimation after the evidence he gave?—A. Yes.

By Mr. Gauvreau:

Q. Was Mr. Davidson near you at the time?—A. Was Mr. Davidson near me?

Q. Yes.—(No answer).

By Mr. Davidson:

Q. You say that your opinion of Mr. Harvey was not lessened by any means?—
—A. I only heard him tell the truth.

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Q. Would you sell that kind of horses to the Government?—A. I do not handle them.

Q. Would you sell that kind of horse to the Government?—A. If they were foolish enough to buy them I would sell them.

Q. You think it is a perfectly honourable thing to do?—A. Perfectly honourable. If a man goes after a certain thing and will not buy a good article will not pay the price and is determined to have an inferior article for the price he should have it.

By Hon. Mr. Reid:

Q. What about your own horses were they inferior stuff?—A. No.

By Mr. Boys:

Q. If the Government were buying horses that must not be more than 10 years old if you could would you dispose of 30-year old horses?—A. I do not think you have a right to ask me that question.

Q. I will ask you that question?—A. I told you before if you sent me——

Q. Will you answer that question, please, or else let it be ruled out as an unfair question?—A. If you will allow me to answer in my own words I will answer it. If you send a man and ask for a certain quality of goods, and you will not pay the figure for a good article, I certainly would sell them if that was what they wanted.

Q. That is no answer to my question. My question is that if you knew that the horses were required for the troops, and must not be more than 10 years old, even if you could put through horses 18, 20 or 30 years old at extravagant prices, would you do it?—A. You say if I knew that they were required of that age by the troops?

Q. Yes?—A. I knew it, but I did not know it, because your men came down there and bought horses altogether older than that.

Q. Will you answer the question as it is put? I will put it to you fairly; are you biased in this matter, or do you want to be fair?—A. I would like to be.

Q. Well then, keep that standard in your mind and try to answer the question fairly. If you knew the horses were wanted for the troops, that they must not be more than 10 years old, even if you could get them passed at 18, 20 and 30 years of age for extravagant figures would you do it?—A. I do not think a man——

Q. Would you do it?—A. Just wait now.

Q. Be honest?—A. I do not think a man knows what he will do until he is tried.

Q. That is the kind of man you are, are you? You sit there, and on your oath before this committee you cannot say whether or not you would do it?—A. My past reputation will tell you whether I would or not.

Q. That man Harvey that sits there——

Objection raised by Mr. Carvell to form of question.

Q. I want to tell you that Mr. Harvey when under oath admitted that he had seen the posters giving the maximum age at which horses would be accepted and that he had also been told what the maximum ages were and that he knew they were for the troops, and notwithstanding that he was glad of the opportunity which offered itself for getting horses 18, 20 and 30 years of age passed for that purpose?—A. As I told you before I do not think it is possible for me to get up and tell you what I would do. I think a man must be judged by his reputation.

Q. Do you think that a man who would do that would be an honourable man?—A. I would hate awfully to say that any man who did that would be dishonourable. I would hate to be calling so many men in King's county dishonourable.

By Hon. Mr. Reid:

Q. Would you say that these men were not willing to pay the price for a good horse?—A. I think they would take good horses if they could get them at the same price as they could get the culls, but they would not pay the price for a good horse.

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Q. How do you reconcile that statement with your own evidence, when you know of your own knowledge that they paid you \$375 and \$380 to some other man for a pair of horses. Does that not show they were willing to pay a good price?—A. For some. You have asked me, and I will tell you how I reconcile it, and I will put it down like this that they paid that for a few horses, but they wanted a lot of horses for a very small figure. I don't think they cared whether they were good or bad as long as they got them at small figures.

Q. Now in getting these good horses, they got two from you. Were you a friend of these men?—A. No, sir.

Q. Was Mr. S. B. Chute, the other man with good horses for which they paid \$380, was he a friend?—A. I do not know.

Q. But you were not?—A. No.

Q. I only want to get from you the fact that they were willing to pay good prices for good horses?—A. I do not think they were for them all.

Q. How do you know that?—A. Because I have seen so many refused, they refused to pay the price for good horses.

Q. Then you do admit, I suppose, that of all the horses that were taken there a good many they refused, that they would not buy at all?—A. I do not admit that.

Q. You say there were 200 at Berwick and there were only 38 purchased, what became of the others, were they refused?—A. No, they refused to take the prices that were offered, the owners refused to take it, as a rule that is the reason the horses went home.

Q. Do you know the prices that were asked?—A. I know the men told me they could not get what the horses were worth.

By Mr. Carvell:

Q. Now I am going to ask you about this matter that Mr. Davidson referred to. Do you know anything about Vineau's steady horse?—A. I do.

Q. How old was he?—A. Would you reckon it up yourself if I give you the figures?

Q. Yes.—A. Well then twenty years ago when I took my father's farm.

Q. Twenty years ago when?—A. The 10th of last September.

Q. That is last September, 1914?—A. Yes. And this mare, the mother of this horse was on the place.

Q. The mother?—A. Yes, she gave birth to this colt the next spring.

Q. That would be in 1895?—A. I think it would be. She gave birth to that colt that spring, and I kept him till he was two years old and sold him.

By Hon. Mr. Reid:

Q. Who did you sell him to?—A. To Stephen Taylor.

Q. Who did he sell him to?—A. To William Bishop.

Q. How long did he keep him?—A. I do not know, I should imagine six or seven years. I lost trace of him for a time, he went over the mountains to Margetville to a man named Arlott. The next I knew of him Bury Armstrong traded an old horse he had for him and let this Mr. Spinney have him, and Mr. Spinney sold him.

Q. And do you swear on your oath that is the horse that was bought that came from your father's farm nineteen years ago?—A. I am.

By Mr. Rhodes:

Q. Do you know that Mr. Spinney sold him to the Government?—A. I know this, that he had him a day or two previous to the buying of the horses at Kingston. A very short time afterwards, a few days, I saw him again and he was asking me how old the horse was. I told him as near as I know. I, at first, said to him, "You don't want to know how old he is." A few days afterwards I saw him and he said, "I sold the colt to go to the war."

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Q. Then you do not know yourself whether he sold the colt or not?—A. I did not see the money paid, but the man told me himself that he had sold the horse to go to the war.

Q. You are a very willing witness?—A. I am willing to tell you what I know.

Q. Well now, I ask you, do you know of your own knowledge that the horse was sold to the Government?—A. I did not see the money paid, but the man told me that he sold him.

Q. Did you see the horse on the train or in the possession of anybody representing the Government?—A. No, I did not.

Q. Then you do not know anything about it, isn't that right?—A. I told you what I know. I only know what Mr. Spinney told me when he came back to me for something to work on his place.

By the Chairman:

Q. You spoke of some man who sold a horse to the Government which in your opinion was worthless. Would you have sold that horse to the Government?—A. It would be the last horse I would expect them to buy.

Q. I asked you if you would have sold that horse to the Government?—A. I do not think that is a fair question to ask me, as I said before—

The CHAIRMAN: That will do, never mind.

By Mr. Carvell:

Q. Did Mr. Spinney tell you how much he got for that horse?—A. If he did, I have forgotten.

By Mr. Clarke (Huron):

Q. I think you swore that a horse had been bought for this war that was rejected at the time of the South African war?—A. I said that the Howard Spur mare was said to be the same mare, one of those that were rejected for the South African war.

Q. It was not of your own personal knowledge, you do not know that of your own personal knowledge?—A. Nothing further than the day before I left home there was a man told me it was the same one.

By Hon. Mr Reid:

Q. Were you looking up any evidence in connection with this matter before you came up? Had any one written you to get any evidence in connection with these horses?—A. Had any one written to me?

Q. Did you receive any letter from any one asking you to look up evidence in connection with these horses?—A. No.

Q. Did any one ask you to work up any evidence or get any information in connection with these horses?—A. I think likely they had, it has been common talk.

Q. Who asked you to get that information?—A. A. Mahon.

Q. Did you get any letters from members of Parliament?—A. No, sir.

Q. They never asked you?—A. No.

Q. Did Mr. Wickwire ask you to get any information in connection with this matter?—A. He may have, yes, we talked the matter over particularly when we were together.

Q. Did you suggest to Mr. Wickwire that you would be a good man to come up here and give evidence?—A. No, sir, I begged like a trooper not to come.

By Mr. Davidson:

Q. Why did he ask you to come?—A. Because he thought I had evidence that would be valuable, I suppose.

Q. Was it not, as a matter of fact, to look after this man Harvey?—A. I think Harvey is capable of looking after himself.

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Q. Didn't Mr. Wickwire accompany you on the train from Aylesford to Middleton, the day you left for Ottawa?—A. If he did, I did not see him.

Q. You did not have any talk with him?—A. I did not see him at all.

By Mr. Nickle:

Q. You heard the evidence Mr. Harvey gave, did you? What would be your comment on that evidence from the point of view of Canadian citizenship?—A. I think you have my evidence.

Q. You heard the evidence, did you?—A. I did.

Q. You heard what Mr. Harvey said as to the class of horse he sold the Government. You knew the purpose for which they were required?—A. I knew the purpose.

Q. And you heard him say he knew the purpose for which they were required?—A. If you look at his evidence, I don't think he did.

Q. What did he say?—A. What did he say? Well, I cannot tell you that, but I do not think he said that.

Q. Assuming that he said he knew for what purpose the horses were required, as he must have known, what would you have to say as to a man who would sell that type of horse to the Government when he knew that soldiers' lives depended on it?—A. I would say that I would be very careful in expressing my opinion about Mr. Harvey when so many of the rest of them did the same thing down there.

Q. Then you do not think that Mr. Harvey is at all culpable from the point of view of Canadian citizenship? That is a fair question.—A. I do not think that he is at all.

Q. You do not think———A. Just give it to me in smaller words.

Q. That he is at all to blame from the standpoint of Canadian citizenship?—A. I think the men who bought the horses are wholly to blame.

Q. Then there is no obligation on him at all on the ground of common decency and honesty?—A. He simply——

Q. Will you answer that question?—on the ground of common decency and honesty?—A. No obligation on Harvey?

Q. On Harvey, on the grounds of common decency and honesty.—A. I don't think that you have a right in the presence of Mr. Harvey to compel me to express my opinion as to his honesty or dishonesty.

Q. You are here as a Canadian citizen?—A. I am.

Q. You came up here because you thought you had evidence to offer that was worthy of being heard?—A. I was subpoenaed to come against my will.

Q. And you know the subject you have been passing in evidence is a matter of interest to the Canadian people at large?—A. I suppose it is.

Q. And are you here to give your stamp of approval to conduct such as that of Mr. Harvey?—A. If I was going to criticise anybody, I would criticise the men who bought the horses.

Q. And not Mr. Harvey at all?—A. If I did, I would have to criticise a lot more.

Q. After you criticised them?—A. I would start first with the buyers, and finish up with Mr. Harvey. I do not think you have a right to ask me.

Q. Assuming that you do not think that I am asking a question as a member of Parliament. I do not want what you think you ought to do at all. I want you to answer my question. What is your opinion of Mr. Harvey?—A. I told you that Mr. Harvey did not lower himself in my estimation.

Q. I am not asking you that?—A. That is my opinion.

Q. Did you have that opinion of Mr. Harvey before you started?—A. I certainly did not.

Q. You had a high opinion?—A. Enough so that I have trusted him with lots of money.

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Q. Had you an exalted or high opinion of Mr. Harvey before this investigation started?—A. Had I an exalted or high opinion?

Q. Don't repeat the question.—A. I would like to know in what way, of his morality or appearance, or what?

The CHAIRMAN: Don't trifle.

By Mr. Nickle:

Q. Had you a high opinion of Mr. Harvey's ethical qualities?—A. He is a friend of mine, and I have no reason to criticise him in any way.

Q. Even after having heard his evidence?—A. It has not lowered him in my estimation.

Q. Having heard Mr. Harvey's evidence there has been nothing in his evidence that in any way caused you to think less of him?—A. There has been nothing in his evidence that would cause me to think he has done anything different than what dozens more in our own county have done in the same business.

Q. Or that you would do yourself?—A. I do not think you have any right to ask me.

Q. Why did you make the distinction?—A. You wanted me to give evidence here as a horseman, a man who handles horses.

Q. Are you speaking as a horseman or an honest man?—A. Could I speak as both?

Q. I think you could?—A. That I could not——

The CHAIRMAN: He says you could.

The WITNESS: All right then.

By Mr. Nickle:

Q. You said, speaking as a horseman?—A. I missed the question.

Q. I think I might put it this way: the whole country has been astounded at Mr. Harvey's evidence. You say you know him well, and you say that dozens of men in the county did only as Mr. Harvey would do—A. Did do.

Q. And I am asking you if you think that was honourable and upright?—A. Honourable and upright.

Q. These questions are awfully simple. Why not answer that question?

Mr. CARVELL: This man is not here to pass judgment on other men.

The WITNESS: I told you before that I absolutely refused to pass my judgment on Mr. Harvey. I do not think you have a right to ask me.

By Mr. Nickle:

Q. I am not asking you to pass any judgment on Harvey?—A. You certainly are.

Q. I am asking you to pass judgment on the class of conduct represented by Harvey and a dozen other people from your county? I want to know what you think of it?—A. Think of it?

Mr. McKENZIE: He has refused to answer, he does not think that he has any right.

The CHAIRMAN: I do not think Mr. McKenzie has any right to interfere.

Mr. McKENZIE: I am taking the ground now that we are absolutely irregular in putting this question at all.

The CHAIRMAN: I am going to permit this question.

Mr. McKENZIE: Every man on this committee is a judge and juror of what evidence is given before us. What we are asking this man is for us to draw our own inference.

The CHAIRMAN: You interjected at a time that the witness was about to answer, and your interruption intercepted his answer.

Mr. McKENZIE: I am willing that my reputation shall stand by this objection, that we are the judges of what inferences to draw in respect of evidence, and not from the judgment of another witness who might come on the stand.

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The CHAIRMAN: You get your foundation for a judgment from the evidence given.

Hon. Mr. REID: So far as the Government are concerned, and I am representing them here, we have tried in every way to give the greatest latitude for all evidence that can be submitted here.

Mr. CARVELL: What is this man's opinion upon the ethics of another man?

Hon. Mr. REID: And the very minute any direct question is asked that should be answered, there is obstruction.

Mr. NICKLE: I think if this man is prepared to say that Mr. Harvey's conduct was honourable and upright, I would not believe that man on oath. And, Mr. Chairman, we will go on with this thing. I have not taken a particularly active part in this, excepting getting out the facts, and I say that the people of Canada want to know the truth. Here is a man who has posed for days as the exponent of truth, and has posed as being upright. He is asking us to believe him. I now lay down to him as a standard of right, whether or not he believes that the conduct of Harvey and a dozen other men who did exactly the same thing, acted in an equally unfortunate manner, was reprehensible, and if not then I say that the evidence of this man given to the committee has no weight. I am trying to lay the foundation on which I may judge his worth as a witness. I asked that question and I want an answer.

The WITNESS: If you will allow me, I will explain to you why I have not answered you before by yes or no.

By Mr. Nickle:

Q. I did not ask you to answer it by yes or no?—A. I will tell you why I won't answer you. You have just said that if I admit that his conduct was right and square that you then will say that my evidence is worthless; if my opinion is I do not believe in that, that I disapprove of that, that Harvey is the bad man you say he is—

By Mr. Bennett (Simcoe):

Q. He says he is?—A. Fix it as you like. There sits the man that a few minutes ago accused me of maligning my neighbours. Now, he will go right back and put that in print; that man went up there, and says that Harvey is a scoundrel and dozens more like him, and for that reason I absolutely refuse.

By Mr. Nickle:

Q. I am not asking you to say anything about Mr. Harvey at all. I am asking you whether you, as a Canadian citizen, consider such conduct as Mr. Harvey admitted was his, whether you think that conduct was honourable and of a character that should stamp that of an honest man?—A. I gave you the reason why I could not answer yes.

Q. Would you do as Mr. Harvey says he did?—A. I told you before, a man never knows what he will do until he is tried.

Q. You believe temptation is more easily avoided than resisted?—A. How is that?

Q. You believe temptation is more easily avoided than resisted?—A. Avoided than resisted?

Q. Yes?—A. Don't those two terms mean the same thing?

Q. You say you cannot tell until you are tempted what you would do. Supposing temptation came to you, would you yield to it or not?—A. I cannot tell you until I am tempted, I don't think I have any right to say. I have said I would not do lots of things, but what I would do if I was tempted I don't know.

Mr. NICKLE: We will leave it at that.

By Mr. Boys:

Q. Are you a deacon in the Baptist church?—A. No, sir.

Q. Are you an office-holder in the Baptist Church?—A. Am I an office holder? No, sir.

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Q. You do not hold any office in the Church?—A. No, sir.

Q. All right?—A. Is there anything more?

The CHAIRMAN: Are there any more questions? (To the witness) You may go.

Witness discharged.

Mr. A. B. HARVEY, recalled and further examined.

By Mr. Carvell:

Q. You have told us you sold some horses to Mr. McKay. Doctor Chipman who was examined to-day, says you sold to him a horse called Lincoln. What do you say to that?—A. I say I didn't.

Q. Do you know this horse Lincoln?—A. Yes.

Q. Did you ever own him?—A. Yes.

Q. How long ago did you sell him?—A. I sold him six or seven years ago.

Q. Have you ever owned him since?—A. No.

Q. Do you know who did own him?—A. Since?

Q. Yes?—A. Oh, no. Several owned him.

Q. Who sold him to the Government, or rather to McKay?—A. Reuben Morse.

Q. Were you there?—A. Was I there when he sold him?

Q. Yes?—A. Yes, I was there the day he sold him.

Q. Did you see the horse there?—A. Yes.

Q. Is that the day you sold the bay horse?—A. Yes.

Q. Then the bay horse you sold was not Lincoln?—A. No.

Q. Was the bay horse better than Lincoln?—A. I thought he was, yes.

Q. Do you know what they got for Lincoln?—A. No.

Q. You have told us you sold some horses at Kingston didn't you?—A. Yes.

Q. How many did you sell at Kingston?—A. Four.

Q. Now, in order that we may have this thing perfectly straight, which is the first horse you sold at Kingston?—A. The first horse I sold at Kingston? Well, I sold two at one time.

Q. Yes, what were they?—A. One was a little black mare and the other was a sorrel horse.

Q. What did you get for the black mare?—A. \$100.

Q. Was the black mare worth \$100?—A. I believe she was, I don't know.

Q. Which of the sorrel horses was it you sold first. Give me the name?—A. The Jim Jacques horse.

Q. Is that the horse that is also known as the John Welton horse?—A. He was known to me as the Doctor Bell horse, I don't know whether John Welton owned him or not.

Q. Whom did you get the horse from?—A. Jim Jacques.

Q. That is the one you had a short time?—A. I got him in the morning and sold him about noon.

Q. Is that the horse that Mr. Selfridge referred to when he said he saw the Doctor Bell horse and knew he was 19 years old?—A. That is the Doctor Bell horse.

Q. Without any doubt at all?—A. Yes.

Q. Do you know that Doctor Bell had the horse?—A. Well, I never saw Doctor Bell with him but he was known to me as the Doctor Bell horse.

Q. That was the one that had the two spavins, was it?—A. Yes.

Q. I suppose if a horse has only two spavins he will not be lame, will he?—A. He was not lame.

Q. That is, one would even up the other, is that the idea?—A. That may be, but he was not lame.

Q. What was the other horse known as?—A. Which, the little black mare?

Hon. Mr. RED: Ask him what amount he sold the other horse for.

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By Mr. Carvell:

Q. What is the price you sold the other one for?—A. \$100.

Q. Was he worth \$100?—A. Well, if you had a horse and a man came along and said, "I will give you \$100 for him," would you take it or would you not?

Mr. CARVELL: I think I would.

Hon. Mr. REID: That is not an answer to the question. Make him answer the other question as to whether he was worth \$100.

Mr. CARVELL: I will come to that later.

By Mr. Carvell:

Q. What did you pay for that horse?—A. \$75.

Q. Was he worth \$75?—A. I thought he was.

Q. You paid it anyway?—A. I paid it anyway.

Q. Do you think he was worth \$100?—A. I don't know. If I had paid \$100 for him I would have had to get it out of him some way.

Q. Do you consider you were under any legal or moral obligation to look after the men who were buying the horses?—A. Which men.

Q. Why, McKay and Doctor Chipman.

Mr. BOYS: Is that a proper question?

The CHAIRMAN: I think it is immaterial and not relevant at all. I do not see much to be got out of it. Every one knows he was not in charge of these men.

The WITNESS: No.

By Mr. Carvell:

Q. Did you make any representations to Doctor Chipman or Mr. McKay, as to the age, soundness, quality or anything else, of these four horses?—A. None whatever.

Q. Did Doctor Chipman or Mr. McKay, or any other person representing them, ask you any questions about the age, soundness or any other quality of these horses?—A. No.

Q. Then their eyes were their judges, were they?—A. I believe so.

Q. Did they exercise any one or more of these four horses before purchasing them?—A. My horses?

Q. Any of your horses, yes.—A. No.

Q. Did they move them about at all?—A. Did they move them about?

Q. Yes.—A. Well, there were two of them tied to the fence and they backed them up so they could walk round them.

Q. Did they walk round the horse, or did they walk the horse round?—A. Walk round the horse.

Q. Did they walk the horse round anywhere?—A. No.

The CHAIRMAN: All this evidence is absolutely a reiteration. We have it already on the record. I do not think it is fair that you should have the same evidence repeated over and over again.

By Mr. Carvell:

Q. Did they untie any horse from the fence so that they could get a chance to move round him?—A. No, they backed him so they could get a chance to move round him.

Q. Did they untie him?—A. No.

Q. They simply backed him so they could get round him?—A. Yes.

Q. That is the only exercise they gave him?—A. Yes.

Q. You are a horse trader, are you?—A. Well, you can put it that way if you like.

Q. You handle some horses, do you?—A. Yes.

Q. You try to make a dollar out of them?—A. Yes.

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Q. Do you know whether the men who bought the horses for the Government traded any?—A. Whether they traded any?

Q. Yes.—A. I didn't see them trade any.

Q. Did you see any one having a horse which they had bought?—A. Yes.

Q. What horse was it?—A. What horse was it?

Q. Yes.—A. Wally Foster has got him now. He is a little horse, five years old, blind in one eye.

Q. Did they buy him?—A. Yes.

Q. Where?—A. Kingston.

Q. The day you were there?—A. Yes.

Q. When did you see him next time?—A. I saw Wally Foster driving him.

Q. How long after?—A. Two or three days.

Q. What did he give for him?—A. He gave a horse he had, so he told me.

Q. What was he like, do you know the horse?—A. Do I know him?

Q. Yes?—A. Yes, I had him once.

Q. What was he like, describe him.—A. He was a horse with spavin, and lame.

Q. So they took the spavined horse and gave him the blind one?—A. Yes.

By Mr. Boys:

Q. I understood there was some question as to whether or not you knew what class of horses, including the age, the Government required. Is there any doubt about that?—A. There was what?

Q. Did you or did you not know at the time you sold the four horses, what the Government required and what the horses were to be used for?—A. Well, I knew what they said they were to be used for, and what they wanted them for.

Q. I want to know whether you did or did not know what they wanted the horses for?—A. Did I know?

Q. Yes?—A. I only knew what they told me.

Q. Who do you mean by "they"?—A. Everybody round there told me.

Q. Never mind everybody round there, did Mr. McKay tell you?—A. Did he?

Q. Yes?—A. I don't know that he did.

Q. Did Mr. Chipman tell you?—A. I don't know that he did, no.

Q. Who did tell you?—A. Well, I cannot remember.

Q. Tell me two or three people; you say that everybody knew.—A. I cannot remember.

Q. You do not know, but you do know, you understood thoroughly what they were for, and also the age limit; you knew that?—A. I did not say I did.

Q. Say it now, will you?—A. No.

Q. Did you know or did you not?—A. Did I know what?

Q. Do not make me put the question four or five times; did you or did you not know what the horses were required for, and the age limit?—A. I knew what they told me they were required for.

Q. And you knew that they told you what the age limit was?—A. Yes.

Q. What did they tell you was the age limit?—A. I just forget now.

Q. Think it up. If you can remember the ages of horses up to thirty years, surely you can remember what you were told was the one age required as the maximum required for all those horses. What was it? You who come here and give us all those details, now tell this committee that you cannot remember the age that was told you as the age limit.—A. I think I have said they wanted from eight to ten years old.

The CHAIRMAN: The witness has already answered that; it is down on the record.

Mr. BOYS: You will bear in mind that what he said as to this very point has already been questioned this very night, and I think it is only fair that we should put it straight.

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By Mr. Boys:

Q. Did they tell you that the age limit was ten years?—A. Who?

Q. Anybody there.—A. I think I have said from five to ten years old.

By Mr. Carvell:

Q. Are you talking about McKay or about the public at large?—A. The public at large.

By Mr. Boys:

Q. You understood it; did you read the handbill or the poster?—A. I do not know that I did.

Q. You said a moment ago that you did not know whether you saw the handbills or the posters or not.—A. You asked me if I read the handbills.

Q. I asked you if you saw them.—A. You asked me if I read them.

Q. Did you read them?—A. No.

Q. In your evidence last Wednesday you were asked:—

“Q. You saw the posters that were put up stating these horses were being bought for military purposes?—A. Yes.”

Was that true?—A. I saw the posters.

Q. Was that answer true?—A. That I saw the posters?

Q. Yes.—A. Yes.

Q. Did you mean to tell the committee when you answered that that you just saw them and did not know what was on them?—A. I do not know whether I read them or not.

Q. When you made that reply to that question as to whether you saw the posters or not, and you said you did, do you mean to say that you intended to intimate that you only saw them and did not read them?—A. I do not know whether I read them or not.

Q. Now listen to this: In your former evidence on Wednesday, April 7, you were asked:—

“Q. But you knew from the poster the sort of horse they did want?—A. Yes.

Q. And you knew they were not that sort?—A. Yes.”

Was that true?—A. I do not think I said that, that I knew from the posters.

Q. I have read to you the record as transcribed by the official stenographer in this committee, and I ask you now if the evidence as transcribed by him, and which I have just read, and in which you admitted you did read the poster, was true or false; take your choice.—A. I have my evidence right here, and I said I did not read it. It is in my coat pocket.

Q. You are endeavouring to crawl a little. What do you say? Was it true or was it false?—A. What?

Q. What I have just read to you?—A. That I read the poster?

Q. I did not say that; I read you the question and your answer.—A. You asked me if I read the poster?

MR. CARVELL: Mr. Boys incorporates that in the question.

WITNESS: I said I knew from the poster; to-day I said I do not know whether I read the poster or not.

Q. Listen to this, witness; I again tell you I am reading from the transcript of your evidence taken on April 7, the transcript prepared by the official stenographer of this committee, and this is the question and answer (reads):—

Q. But you knew from the poster the sort of horse they did want?—A. Yes.

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Q. Was that true or false?—A. Yes.

Q. Why did you say a minute ago that you did not think you said that?

The CHAIRMAN: Does "Yes" mean that it is true or false?

By Mr. Boys:

Q. Do you say it is true?—A. Yes.

Q. How could you know the sort of horse they wanted if you did not read the poster?—A. I did not say I read it.

Q. Did you read it then?—A. I do not remember whether I read it or not.

Q. We will get a little further insight into you. Here is a further transcript of your evidence, also taken the same day. It appears here on this typewritten copy, and before I put this to you, I ask you again: Did you read the poster or did you not?—A. I do not know.

Q. Would you know at this time better whether you read it than you did on Wednesday when you gave your evidence?—A. Would I know?

Q. I will put it again; is your memory as to whether or not you read the poster better to-night, or would it be better than when you gave your evidence last Wednesday?—A. I don't know.

Q. I suppose if there is any difference, the further back you go and the nearer to the transaction, the better your memory would be. Again, do you say you do not know whether you read it or not; answer the question?—A. I do not know whether I read it or not.

Q. Is that what you say now?—A. I might have read it, or I might not.

Q. Did you, or did you not?—A. I do not know.

Q. Did you know whether you had read it last Wednesday?—A. I do not know.

Q. Here is the question asked last Wednesday: (reads)—

Q. Now, Mr. Harvey, you have told me that you saw the poster which was on the walls about the buildings where these horses were to be sold?—A. Yes.

Q. Did you read it?—A. Yes.

And lower down there is this question (reads):

Q. You read the poster?—A. I think so; yes.

What do you think of yourself now? No wonder you sit there silent.

By Mr. Davidson:

Q. Who advanced you the money to come up here?—A. Why, I happened to have enough of my own.

Q. Do you say that?—A. Do I say what?

Q. That you had money yourself with which to come to Ottawa?—A. That I had money myself?

Q. That it was your own money that you used to pay your ticket with?—A. No, it was not my money that paid my ticket.

Q. Who gave it to you?—A. Gave what?

Q. The ticket?—A. The station agent.

Q. Who gave you the money to get it? Did you buy the ticket yourself?—A. No.

Q. Who paid it for you?—A. I do not know.

Q. You do not know who paid for your ticket?—A. No.

Q. You say the station agent handed you the ticket?—A. Yes.

Q. Was that the morning you left?—A. The morning I left, yes.

Q. You went to the station agent at Aylesford?—A. Yes.

Q. Did you ask him for a ticket?—A. Did I ask him for a ticket?

Q. Yes.—A. No, he handed it to me.

Q. Without being asked for it?—A. No.

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Q. If you did not pay, somebody else paid for it?—A. Yes.

Q. Who paid the station agent for that ticket that you got?—A. I did not ask him.

Q. Did you hear anything about somebody paying for this ticket? How did you think you were going to get the money to buy this ticket with when you left the station that morning?—A. How did I think I was going to get the money for that ticket? I got a Government subpoena, and I supposed they were going to pay my way.

Q. And you thought the Government instructed the station agent to hand you the ticket?—A. I do not know.

Q. Now did you think that that was going to be arranged?—A. I did not know anything about it; if I had not the money I would not be here.

Q. Before you left the station did anybody mention the subject of a ticket to you?—A. No.

Q. You bundled up your clothes, put them in your grip, and started for the station without knowing whether you were going to get your ticket or anything of that kind?—A. I supposed I would get the ticket at the station.

Q. Did you think that you were going to pay for it yourself?—A. I knew I was not; because I did not have enough money.

Q. How was it going to be got?—A. I suppose, as I told you, before——

Q. Did you think the Lord was going to provide?—A. No, the Government.

Q. I cannot understand this exactly; you did not have enough money to pay for the ticket when you started out?—A. No.

Q. And you went to the station with the expectation that the Government would provide the ticket?—A. Yes, that some of the Government officials, or somebody I supposed, would pay my way.

Q. When did you learn that the Government did not provide the ticket?—A. When did I?

Q. Yes, you know now it was not the Government who gave you this ticket, or who paid the station agent?—A. Yes.

Q. When did you first learn that?—A. When did I first learn what?

Q. That it was not the Government who paid for the ticket, that somebody other than the Government paid for the ticket?—A. Why, after I got the ticket, a few minutes.

Q. How did you learn it?—A. A man told me.

Q. Who told you?—A. Mr. Selfridge.

Q. What did he say?—A. He said he paid for it.

Q. Did you not say that at the start you did not have money enough to pay your way?—A. I paid my way, I had enough money to come away with, but not enough to buy my ticket.

Q. You had no discussion with Mr. Selfridge beforehand?—A. No.

Witness discharged.

Committee adjourned.

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HOUSE OF COMMONS,

Room 211,

TUESDAY, April 13, 1915.

The Select Standing Committee on Public Accounts met at 11 a.m., Mr. Morphy presiding, in the absence of Mr. Middlebro, Chairman.

The Committee proceeded to the further consideration of "Session Papers numbered 122 of the present session of Parliament, and all other papers in relation thereto, being copies of correspondence between the Auditor General and the Department of Militia and other departments of the Government, laid upon the table of the House, in respect to expenditures under the War Appropriation Act," referred to them by the House.

Mr. T. McNICHOL, recalled and further examined.

By Mr. Carvell:

Q. Have you a statement of the goods you sold to the Two Macs for those housewives?—A. No, sir.

Q. That is what we adjourned for.—A. I had no information to that effect.

The CHAIRMAN: I am not sure of that myself; I thought he was to be procured to give evidence. He may have the evidence.

By Mr. Carvell:

Q. Have you the invoices of those goods?—A. You had most of them.

Q. I am asking about your invoices; from whom did you purchase those goods?—A. I cannot say.

Q. From whom did you purchase the safety pins?—A. I am not in a position to say.

Q. This man was put up as the purchasing man of Garland's. Now I want you to be frank over this; do you mean to tell this Committee that you do not know from whom you purchased those safety pins?—A. I certainly know whom they were purchased from, but anything I acquire in my employment belongs to my employer, and if you want that information you will have to get it from the firm.

Mr. CARVELL: We are not going to be fooled over this thing. This looks to me as if it were a put-off. This matter was adjourned because this gentleman was to get us the information.

By Mr. Carvell:

Q. You would know from whom you purchased those goods?—A. I know who they were purchased from.

Q. And I know; they were purchased in Glasgow were they not?—A. You will have to ask the firm.

Q. Who can tell?—A. You will have to get the information from the president.

Hon. Mr. RED: I would like to understand where we are at. In the first place, as I understand, Garland's is a wholesale firm, and they sold those goods to a retail firm, The Two Macs. Now surely, Mr. Carvell, you do not want to go back to find out what the wholesale firm paid, and their profits on those goods. I do not think that would be fair. If you go back to them, you would then want to go back to the manufacturer, and so on.

Mr. CARVELL: The Two Macs could buy those goods just as cheap as the Garland's can. I want Mr. Garland here.

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By Mr. Carvell:

Q. If you cannot tell, who can?—A. You will have to inquire from the president.

The CHAIRMAN: If the man came here and refused to give the information, what then?

Mr. CARVELL: I want him to come here and refuse.

By Mr. Carvell:

Q. Who is the man who would give it?—A. The president of the firm.

Q. Mr. Garland?—A. Mr. Garland.

Mr. CARVELL: I want Mr. Garland, with the invoices of those goods, the invoices of all the safety pins and buttons.

Debate followed.

The CHAIRMAN: The point I make is, that it is just as reasonable for Mr. Carvell to go ten removes as one. If you got the price which Mr. Garland paid in Glasgow, then you would want to show that he might have got them cheaper in Edinburgh, say; and then you might want to go back to the manufacturer. Where are we to end?

Mr. CARVELL: I happen to know from whom those goods were bought. Yesterday, I wanted to bring the representative of the Glasgow firm, Mr. Russell Bowie, who is in Montreal. He is the man who sold those goods to Mr. Garland, but Dr. Reid took the ground that I should not do so because we had a sort of understanding that we should call no new witnesses. I acquiesced in that. I then asked to have another witness called, and reasons were given why I should not do so, and I dropped that. I make the statement here that I am advised and I believe that when the Garlands sold those goods to Mr. McClenaghan at the prices they have invoiced them at, they made an enormous profit out of them, a profit which this Government should not have paid, that the Government have paid two profits, they have paid a profit of 24 per cent on these goods to McClenaghan, and they have paid probably nearly that much, at least, on the buttons, safety pins, and that kind of articles to the Garlands. The Garland invoices will, I believe, show the arrangement under which that company gets a profit on the transaction, as well as giving McClenaghan a profit, and I want to get at the bottom of it.

Hon. Mr. REID: Supposing that Mr. Garland had a profit, he certainly should have a profit as a wholesale man, and he would require a certain profit to meet the overhead charges in his business, and that profit would probably amount to 20 per cent in any event.

Mr. BENNETT (Simcoe): I think in the evidence, I may be wrong about this. Mr. Garland swore positively there was no arrangement between himself and Mr. McClenaghan under which there was to be any secret rebate. I would like to ask this witness the question, "Did you sell to Mr. McClenaghan at the same rate you sold to your other customers?"—A. Yes, according to our regular rate, and some of them were a shade less.

By Hon. Mr. Reid:

Q. Were the prices at which you sold to the Two Macs your regular, legitimate prices, that you charged for the same quantities to any person?—A. To everybody with whom we do business.

Q. You got no advance in price in any shape or form?—A. We never do business that way.

Q. Did you in this case?—A. No.

Q. And you gave no advantage to Mr. McClenaghan over and above what you would give to any other party?—A. No, sir, everybody gets the same price.

By Mr. Carvell:

Q. What did you pay for the safety pins?—A. I cannot tell you.

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Q. Who can?—A. I could not tell you, I am not in a position to tell you.

Mr. CARVELL: I want this decided right off.

The CHAIRMAN: There is no allegation of fraud between the Garlands and the Two Macs whereby the price was inflated to the Government. I think that is admitted.

Mr. CARVELL: I do not admit it.

The CHAIRMAN: You never stated that you did not yet.

Mr. CARVELL: You have not asked me yet.

The CHAIRMAN: You have made your statement, and what you have stated does not imply any wrong doing, and it is a very difficult thing for me to see how the country's interests will be impaired. Is it not far more important not to impair so far as is compatible with the interests of the country, the interests of a wholesale firm by disclosing its method of dealing with its customers to its prejudice, and giving to the wholesale trade of Canada an insight into the actual prices at which that wholesale firm buys its goods. I think the country's interests should be protected, but I think that the private interests must be protected as well.

Mr. CARVELL: I went down to the five and ten cent store on Sparke Street and bought a card of the same safety pins for 5 cents retail.

The CHAIRMAN: It is no criterion of the standard of price, even if you paid five cents at the five cent store. That does not prove anything to me at all; men get large job lots of many commodities, and the five cent store men are adepts at that.

Mr. CARVELL: Those pins could have been bought at two cents.

Q. Those pins could have been bought at two cents.

Mr. BOYS: They are not the same kind. (Card of pins produced by Mr. Carvell handed to witness.)

Hon. Mr. REID: Are they both the same material and price?—A. It would be hard to say without testing them.

By Mr. Carvell:

Q. I gave a sample which I got from the housewife produced here to the clerk and said, "I want one of the same sort." She replied, "Here it is, No. 3."—A. It seems to be about the same thing, as far as I know, without being able to test it.

Mr. CARVELL: Now, I would like to have a decision, that is all I ask for.

The CHAIRMAN: I have practically ruled that I do not think it is incumbent upon this Committee to force this witness to give an answer.

Mr. CARVELL: I have no further question to ask if that is the case.

Hon. Mr. REID: What about Mr. McClenaghan, do you want to call him?

Mr. CARVELL: No, that ends this case, as far as I am concerned.

Witness discharged.

Hon. Mr. REID: If that case is disposed of I want to make this motion about these horses:

"Your Committee have had under consideration the purchase of horses in the provinces of Nova Scotia and New Brunswick for the Department of Militia and Defence, and beg to report to the House the evidence and the documents in connection therewith."

Before I finish I want to say this, I mention New Brunswick for the reason that there have been horses purchased not only in King's county, but down at the lower end of Nova Scotia, and in New Brunswick. The cheques show that the prices were higher and the Government feel that the whole horse question should be gone into, no matter where it is, and investigated, in order to see that there was no irregularity at any place. I will now read the balance of this motion:

"The Committee are of the opinion that the evidence respecting the purchase of horses in Nova Scotia discloses circumstances of such an unsatis-

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factory character that thorough investigation and action are necessary, and they recommend that the said evidence and all documents connected with the matters aforesaid be referred to the Department of Justice with instructions to make such investigations and institute such prosecution, and to take such proceedings as may be found necessary to protect the public interest."

Personally I want to say that so far as I am concerned——

Mr. CARVELL: Does your motion only refer to investigations in the provinces of Nova Scotia and New Brunswick?

Hon. Mr. REID: I say, "Your Committee have had under consideration the purchase of horses in the provinces of Nova Scotia and New Brunswick for the Department of Militia and Defence, and the Committee are of the opinion that the evidence respecting the purchase of horses in Nova Scotia," because we did not go further into the other purchases.

Mr. RHODES: We had some evidence in regard to the other purchases, the Auditor General produced cheques and said that was all the evidence there was.

Mr. CARVELL: I would be inclined to conclude from the wording of that motion that you were only going to investigate matters in Nova Scotia.

Hon. Mr. REID: We will put in New Brunswick too.

Mr. CARVELL: I would go into Quebec and Ontario and make it wide open. There are cases down the St. Lawrence River I would like to investigate if we had the time.

Hon. Mr. REID: Let me say this, that as far as the Government is concerned, they are going to investigate in every province.

Mr. CARVELL: There has been a case in Quebec where a man buys three horses and substitutes for them three of his own. Why not include Quebec in that motion.

Hon. Mr. REID: Because we haven't any purchases in Quebec that show irregularities.

Mr. CARVELL: I cannot support this resolution as it stands for the reason that it does not go far enough. We have the evidence of a gentleman appointed by the Government who comes here and admits that he bought three valuable animals and that he called up Colonel Meighen and put three of his own horses in their places, and kept these mares.

Hon. Mr. REID: Would you like the resolution to read this way:

"Respecting the purchase of horses in Nova Scotia, New Brunswick and Quebec,"

will that satisfy you.

Mr. CARVELL: That part will, then go on and change the rest of it.

Mr. BOYS: I think the word "unsatisfactory" is proper and right as far as Nova Scotia is concerned, but I cannot support the use of the word "unsatisfactory" as far as Quebec is concerned.

Mr. McCREA: When the facts are all known you will find out.

Mr. BOYS: You had an opportunity to go into the box yourself.

Mr. McCREA: Mr. Chairman, the Fletcher case was before this Committee.

Mr. CARVELL: I will support no resolution that does not include investigation of the horses in Quebec, because we have further evidence about the Fletcher business which we would like to have gone into if we had the time.

Mr. McCREA: The evidence in the Fletcher case has been before this Committee, that three thoroughbred mares were bought by Mr. Fletcher, and I think every honourable gentleman will admit that a thoroughbred brood mare is considered more valuable than a gelding at any time. You have from the evidence of Mr. Lynn, who was employed by Mr. Fletcher, and who is friendly to him today, that this exchange was made.

The CHAIRMAN: Was not one of these that Mr. Fletcher got practically worthless?

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Mr. McCREA: She has gone wrong since.

The CHAIRMAN: I do not think that that is so.

Mr. McCREA: Mr. Fletcher said himself on oath that at the time the exchange was made they were sound and all right as far as he could see.

Mr. DAVIDSON: He said exactly the opposite. He stated the horse was used too soon after casting its colt.

Mr. NICKLE: Without attaching very much importance to the Fletcher matter, because I do not think it goes to the very vitals of things, it seems to me that, not knowing now whether this is intended to be final or not, this Committee ought to send some other finding, in addition to this resolution to the House. The details of these irregular transactions, perhaps, are not of very much importance, but the underlying system merits, I think, a recommendation to the House. I was struck the other day, when the Auditor General was in the box by his statement that in the Militia Department accounts were paid prior to audit, and I think that everyone on this committee, particularly after the binocular and horse cases, has been impressed with the fact that some tightening up of the purchasing and auditing of supplies for the Militia is essential. I think we should pass some resolution submitting to the House, if it is the opinion of this Committee, that there is a lack of co-ordination in the Militia Department as between the purchasing branch and the Audit Department. It is not a matter of very great importance, in so far as the trend of affairs goes, whether a few dollars were lost here or there. But if this country has another one hundred million dollars to spend, I think this Committee would not do its duty if it did not direct the attention of the House, as the Auditor General says he has not directed the attention of the House, and the Government, to the laxity of the system which prevails. I have no objection to this resolution passing in the form it is now, because so far as I am concerned, outside of Nova Scotia, no evidence has been produced to me of the unsatisfactory character of the horses purchased. But there is a big broad question underlying the whole thing, and I think some subcommittee of this Committee should be appointed to go thoroughly into the question and to lay the matter before the House and the Government, because our prime object should be the prevention of further frauds and not merely the investigation of what has been done. Therefore I make this motion as a suggestion, that a small subcommittee of this Committee should be appointed to consider some report to the House along the line of prevention rather than mere investigation. Because, as a lawyer, I am not blind to the fact that you will never get sufficient evidence in the Harvey case—and in my judgment it is most fraudulent in the narrow sense of the word—to convince a jury that Mr. Harvey did that which was criminally wrong. With the shrewdness that characterizes him he was careful to make no representation to the buyer; and once you cannot show a wilful representation of fraud no jury would convict him. But certainly some steps should be taken to prevent a recurrence of any such transactions.

Mr. CARVELL: I would suggest that this resolution be amended so as to inquire into the purchase of horses in every province of Canada. I want the purchase of horses investigated not only in Nova Scotia and New Brunswick, but in every province in Canada, and I think that this resolution should be so amended, and that the Government should do more than hand it over to the Justice Department. They should appoint an independent commission consisting of both Liberals and Conservatives to follow this matter up and see if they can get to the bottom of it, because there has been sufficient evidence produced to convince any member, no matter what his politics, that there have been many grave irregularities in the purchase of these horses in many parts of Canada.

Hon. Mr. REID: The reason I take objection to your changing the motion is that, in the first place, the Committee have had before them certain matters for investigation, they have only investigated a certain number of them, and those are the matters I was referring to the House. Now, if our motion were to end the matter, of course,

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I would then agree with you that it would probably be well to amend the motion. But as I understand the procedure the Chairman presents this motion and all documents to the House to-morrow with a recommendation, which must be concurred in by the House. When the Chairman moves his motion, you or any other person can ask to amend this in the House, basing your request on information that you have, and the Government can accept or refuse to amend it.

Mr. BENNETT (Simcoe): Make a substantive motion in the House.

Hon. Mr. REID: That is what I mean.

Mr. CARVELL: In the first place I do not expect to be in the House after 3 o'clock this afternoon. In the second place, if I were there I have not changed my mind a particle as to what the Minister has stated. This Committee has been investigating certain matters and we have gone as far as we can. Now the time has come for us to make recommendations to the House and in those recommendations we can include anything we have a mind to.

Hon. Mr. REID: Let me say just there: Would you not, by incorporating your suggested amendment in this motion, be making a reflection on the purchase of horses in other Provinces as to which we have no evidence whatever.

Mr. CARVELL: I do not care whether it is a reflection or not. I am not bothering my head about that. Let the Government investigate the purchase of horses all over Canada.

Hon. Mr. REID: That is all right.

Mr. CARVELL: I say that irregularities are alleged to have taken place in other Provinces, and that it is the duty of the Government to investigate them.

Hon. Mr. REID: Mr. Carvell is under the impression that the Government only intend to investigate two or three cases, and that with respect to the rest of the allegations nothing more will be heard about them.

Mr. CARVELL: I think probably we will never hear anything more about them.

Hon. Mr. REID: Let me assure the honourable gentleman that it is not by any means the last that will be heard of these inquiries; they will be prosecuted to the bitter end by the Government. The Inquiry made so far has only disclosed the occurrence of irregularities in New Brunswick and Nova Scotia. The honourable gentleman has referred to the other Provinces. Well, if similar irregularities are found to have occurred in other Provinces they will be thoroughly investigated, there will be no holding back from a thorough and complete exposure and prompt punishment. So far as I am concerned, I thought the motion was framed on fair lines, and that is, to continue the investigation where wrong doing has been shown to exist. It is only right that we should go on with the investigations already begun. Mr. Carvell has made the request that we extend the inquiry to other Provinces too. So far as the Province of Ontario is concerned I do not think it is fair to indulge in reflections when there is an entire absence of evidence of any wrong doing. As to the letters to which he has referred, I would ask him if he will give them to the Committee, so that the Government can extend the inquiry if it is shown to be necessary.

Mr. CARVELL: Most certainly, I will do that.

Hon. Mr. REID: That being the case, and the Committee having received the assurance that the Government will continue the investigation, I do not think it is fair to indulge in reflections on any other Province at the present time.

Mr. CARVELL: I cannot vote for that motion, first because of an untrue statement of fact. In the first paragraph it states that this Committee has had under investigation the purchase of horses in the province of New Brunswick. That is not true. All we had, so far as New Brunswick is concerned, was the Auditor General's letters and the production of a certain number of cheques, alleged to have been paid for a certain number of horses. So far as Quebec is concerned, we have had about three or four witnesses examined about the purchase of horses. There is evidence on the record of the purchase of horses in the West, in Alberta and Saskatchewan. I think you will

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find; certainly there is evidence of purchases made in Ontario. There is the same evidence on record with regard to Ontario and other provinces as in regard to New Brunswick, and I cannot understand why the words "New Brunswick" are put in this resolution. I therefore beg to move an amendment, seconded by Mr. Tobin, that the words "and Quebec," or "Quebec and Ontario" be inserted in the third line after the word "Brunswick." (2) That we insert after the word "investigation" in the third line from the bottom the following words, namely, "into the purchase of horses in every province of Canada," and strike out the word "such" in the said third line before the word "investigation."

Hon. Mr. REID: Amended along these lines the resolution would read:—

"Your Committee have had under consideration the purchase of horses in the provinces of Nova Scotia, New Brunswick, Quebec, and Ontario, for the Department of Militia, and beg to report to the House the evidence and documents in connection therewith.

The Committee are of the opinion that the evidence respecting the purchase of horses in Nova Scotia discloses circumstances of such an unsatisfactory character that further investigation and action are necessary; and they recommend that the said evidence and all documents connected with the matters aforesaid be referred to the Department of Justice with instructions to make investigation into the purchase of horses in every province of Canada, and to institute such prosecutions and to take such proceedings as may be found necessary to protect the public interest."

The CHAIRMAN: I would not like to have it said that I acted as Chairman of the Committee and deliberately sent forward a report that we had under consideration and had investigated the purchase of horses in Ontario, New Brunswick or Quebec. We have had incidental and isolated transactions, but Nova Scotia is the only province whose transactions we have really investigated.

Mr. CARVELL: Nova Scotia and Quebec.

The CHAIRMAN: I do not think we have dealt with Quebec except incidentally.

Mr. CARVELL: I want the resolution to ask the Government to make the investigations.

Hon. Mr. REID: The Government intend investigating any irregularities in the purchase of horses in every province; there is no doubt about that. The only reason that I objected to those words going in the report was that I did not think it was regular for this Committee to make recommendations regarding some provinces about which there have been no investigation.

Mr. CARVELL: Because we have not had the time to make it.

Mr. GAUVREAU: If we have an election what are we going to do?

Hon. Mr. REID: So far as that is concerned, you need not be the least bit alarmed; we will take action at once. I am not raising any objection for any purpose. Here is the motion which the Chairman proposes (reads):—

"Your Committee have had under consideration the purchase of horses for the Militia Department in the province of Nova Scotia, and beg to report to the House the evidence and documents in connection therewith.

The Committee are of opinion that the evidence respecting the purchase of horses in Nova Scotia discloses circumstances of such an unsatisfactory character that further investigation and action are necessary, and they recommend that the said evidence and all documents connected with the matters aforesaid be referred to the Department of Justice, with instructions to make such investigation, to institute such prosecutions, and to take such proceedings as may be found necessary to protect the public interests.

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And this Committee recommends that a further investigation should be made by the Government in regard to any irregularities which may have taken place in any other province of Canada, where such steps will be authorized and warranted by evidence or information of credible persons."

Mr. CARVELL: No, that means that some person, on our side of the House, has got to carry on the work of the Public Accounts Committee. That means that we have got to go to the Government and establish by some sort of evidence that there has been some crooked work. It means casting the burden upon us to carry on work when it is impossible. We are separating and going to our respective homes; we have our respective businesses to attend to, and we have no time to carry on the public business of this Committee.

The CHAIRMAN: You are taking the wrong meaning out of the words "evidence or information."

Mr. CARVELL: I may be a little piggish about this; I have moved an amendment which I propose to stand by. I want this voted on one way or the other; it is for the Government to accept or reject it.

The CHAIRMAN: Have I the permission of the Committee to take this substantive motion by Dr. Reid as the main motion and Mr. Carvell will move his amendment to this substantive motion:

Moved by Hon. Mr. Reid:

"Your Committee have had under consideration the purchase of horses for the Militia Department in the province of Nova Scotia, and beg to report to the House the evidence and documents in connection therewith.

The Committee are of the opinion that the evidence respecting the purchase of horses in Nova Scotia discloses circumstances of such an unsatisfactory character that further investigation and action are necessary, and they recommend that the said evidence and all documents connected with the matters aforesaid be referred to the Department of Justice with instructions to make such investigations, to institute such prosecutions and to take such proceedings as may be found necessary to protect the public interest.

And this Committee recommends that a further investigation should be made by the Government in regard to any irregularities which may have taken place in any other province of Canada where such steps will be authorized and warranted by evidence or information of credible persons."

Hon. Mr. REID: In connection with this resolution, and before Mr. Carvell moves his amendment, let me say that the motion I have moved places the Government in the position that it must appoint a Commission or Commissioners to investigate these matters, there is no doubt about that, there will be one appointed. Then of course the Commission must have some information, some one must write alleging that there have been irregularities existing in any province, and then the Commission would decide whether the investigation should be proceeded with. A letter such as I have in my pocket from British Columbia placed before the Commissioner would lead to an investigation if that Commissioner does his duty at all. According to the motion, if information comes to the Commission that will be sufficient to secure an investigation.

Mr. CARVELL: I move in amendment to the motion offered by Hon. Mr. Reid:

"Your Committee have had under consideration the purchase of horses in the provinces of Nova Scotia, New Brunswick, Quebec and Ontario for the Department of Militia and Defence and beg to report to the House the evidence and documents in connection therewith.

The Committee are of the opinion that the evidence respecting the purchase of horses in Nova Scotia discloses circumstances of such an unsatisfactory

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character that further investigation and action are necessary, and they recommend that the said evidence and all documents connected with the matter aforesaid be referred to the Department of Justice with instructions to make investigation into the purchase of all horses by the said Department in every province of Canada, and to institute such prosecutions and take such proceedings as may be found necessary to protect the public interest."

Mr. CARVELL: In other words I follow, in my amendment, the original resolution without change up to a certain point. The reason I am somewhat insistent upon this form of recommendation is that I want to have the burden placed upon the Government to start this investigation, and not wait until somebody else gives them the evidence. I consider there has been sufficient rascality shown in this horse transaction to make it the duty of the Government to investigate this matter on their own motion, and upon the man who is appointed to investigate should rest the burden of finding the evidence and bringing these matters to light. I am not trying to be unpleasant, but I am trying to put this matter, as far as I know how, properly before the House and the country, and I think this is the report that we should make. For myself, if my hon. friend wants to strike out the words New Brunswick and Ontario I would have little objection because there has been very little investigation into the purchase of horses in New Brunswick and Ontario, but as far as the Quebec purchases are concerned I look upon them as reprehensible to a degree.

Mr. RHODES: Not as bad as Nova Scotia.

Mr. CARVELL: Not as bad as Nova Scotia, I admit that, but I would not like to go on record as expunging the Quebec proceedings from the record.

Question put and the amendment lost by 15 to 5.

Motion of Hon. Mr. Reid carried on the same division reversed.

Mr. NICKLE: I move the following resolution:

"That in view of the evidence adduced this Committee draw the attention of the House to the requirement for the inauguration of a system of purchase, inspection and audit that will adequately protect the country from irregularities and frauds."

Mr. CARVELL: I do not think we ought to put this motion without some discussion. When you come to the question of auditing I would suggest that there be some slight change in this resolution, because it casts a reflection on the audit system that is not deserved. The difficulty with the auditing of Canada is the system. The auditor is acting under the Audit Act; he is circumscribed by legislation, and he cannot go beyond the bounds of that legislation. I think the law should be changed in some way to give the Auditor General some real power over these matters and make him an auditor in fact.

Mr. NICKLE: Isn't that the fundamental of the resolution?

Mr. CARVELL: If you will so word it, I will agree.

The CHAIRMAN: That will better the deplorable conditions that have existed for fifty years in this country.

Mr. CARVELL: This rather states that part of the deplorable conditions are due to the Auditor General, when the Auditor General is bound hand and foot.

Mr. NICKLE: I will amend it to read: "And that such legislation be enacted as will accomplish such purposes."

Mr. CARVELL: I want to say that my object in introducing the additional words was that there should be no intimation go from this Committee, not even the suspicion of an intimation that any fault can be found with the present Auditor General and his staff. I think the people of Canada will never be adequately able to repay

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the present Auditor General for notifying the Government of the condition of affairs which existed, and it was only from his correspondence and his notification that we have been able to investigate these matters and get them before the public; and we all hope the result will be that good will come out of this matter. Certainly the present Auditor General is entitled to a very large part of the credit for the resolution we are passing and for the good resolutions which every member of Parliament must have made on account of what has taken place here in the last few weeks.

Mr. NICKLE: I am perfectly willing to give to the Auditor General every credit, but I am not prepared to go back on what I said the other night, that I think it is unfortunate he did not feel it incumbent upon himself to draw the attention of the Government to the weaknesses of his position. I have every appreciation of the difficulties of the civil servant, but certainly I think that when there is a change of Government it is the Auditor General's duty to draw the attention of the incoming ministry to any weaknesses there may be in his administrative branch. I do not want to censure him in any way, but I think his position would have been stronger to-day if he had taken such steps three years ago. I appreciate his work, but I am not prepared to go so far as to say that he is entirely blameless.

Motion of Mr. Nickle, as amended, carried.

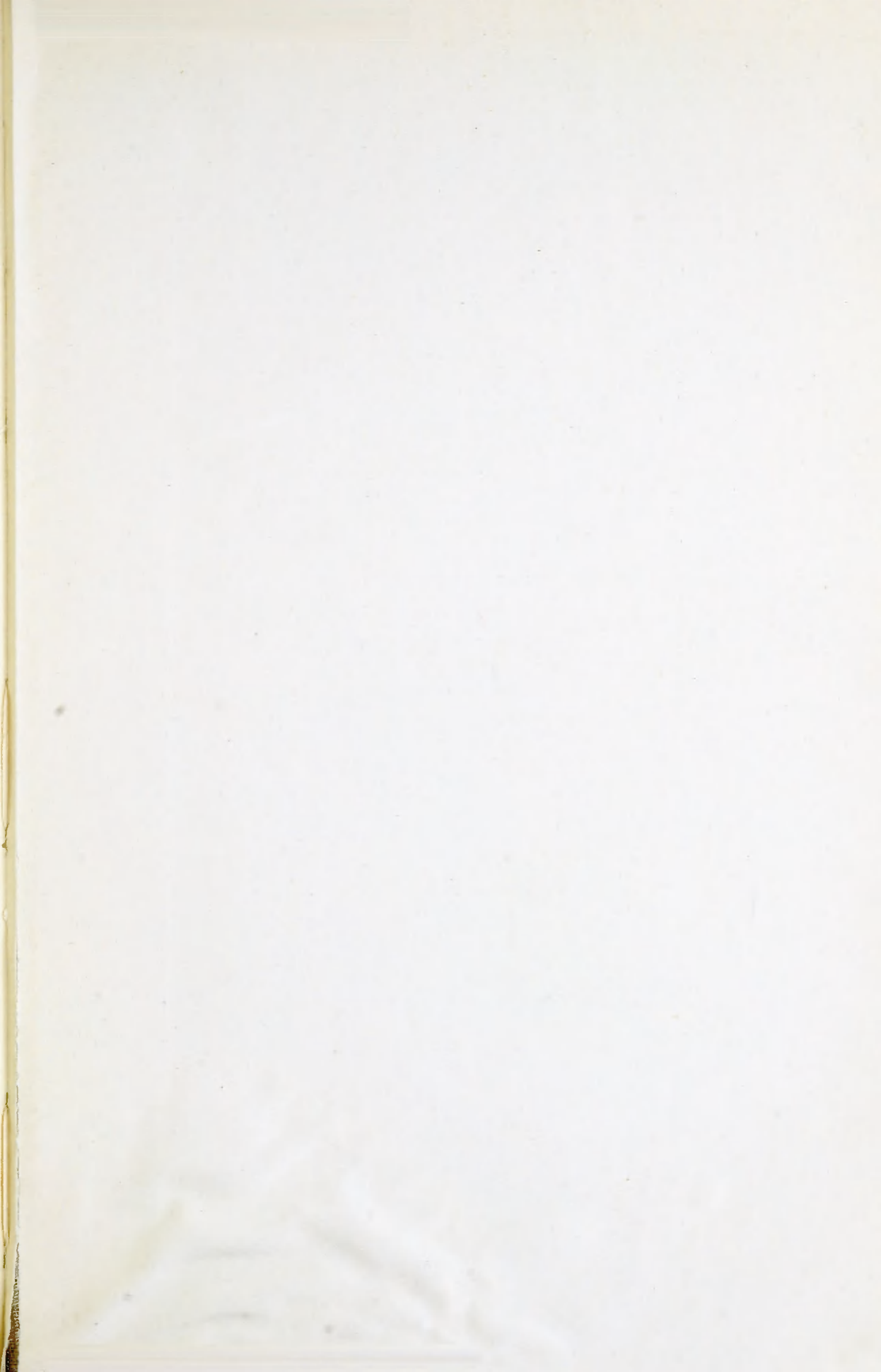
The CHAIRMAN: I beg to thank you all for the care and assiduity with which you fulfilled your public duties.

Committee adjourned.

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